From: Capel, Susan
To: R4 SEMS Records

Subject: FW: Insurance 104(e) examples

Date: Monday, October 19, 2020 10:45:41 AM

**Attachments:** 104(e) Letter to Travelers v.3 [w. COVID extension].docx

Insurance 104e Letter CNA [scanned].pdf Horton Fire Insurance Documents [compiled].pdf Horton Auto Insurance Policies [compiled].pdf

Please place the email and the attachments <u>related to Horton</u> in the file for Horton Iron and Metal.

#### Thanks.

Susan Capel
Associate Regional Counsel
Office of CERCLA Legal Support
U.S. Environmental Protection Agency Region 4
61 Forsyth St.
Atlanta, Georgia 30303
404-562-9566

## ENFORCEMENT CONFIDENTIAL DO NOT RELEASE UNDER FOIA

From: Burkhalter, Graham < Burkhalter.Robert@epa.gov>

**Sent:** Thursday, October 15, 2020 1:46 PM **To:** Capel, Susan < Capel. Susan@epa.gov> **Cc:** Mann, Teresa < Mann. Teresa@epa.gov>

Subject: Insurance 104(e) examples

Hey Susan,

Here are the 104(e) requests that we sent out in my Walker Machine Products case. HQ drafted this letter and we don't necessarily need to stick with that format, but this will give you an example of the types of questions we want to be asking the insurance companies. Please let me know what other documents you might need to help out.

Also attached are the insurance policies that we have received so far from Horton. Let's plan on calling Mr. Horton on Monday. I have an SOL analysis that I need to finish up, so I'll be focusing on that most of the afternoon.

Thank you so much for your help!

Graham Burkhalter
Assistant Regional Counsel
CERCLA Law Office
U.S. Environmental Protection Agency, Region 4
61 Forsyth Street, SW
Atlanta, Georgia 30303

# CERCLA 104(e) INFORMATION REQUEST URGENT LEGAL MATTER: PROMPT REPLY REQUESTED CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Travelers
Mr. Pat Connaughton
Special Liability Coverage Unit
One Tower Square, 7FP
Hartford, CT 06183-6016

Re: Request for Information Pursuant to Section 104 of CERCLA for **Walker Machine Products Superfund Site**, Collierville, Shelby County, Tennessee

Dear Mr. Connaughton:

The U.S. Environmental Protection Agency seeks cooperation from Travelers in providing information and documents relating to insurance policies that may have been issued to Walker Machine Products, Inc. (WMP) and/or Harold D. Walker, Jr. The EPA has named WMP and Mr. Walker as potentially responsible parties under Section 107(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9607(a), for the EPA's response costs at the **Walker Machine Products Superfund Site** (Site) in Collierville, Shelby County, Tennessee. The EPA has determined that volatile organic compounds, including trichloroethene (TCE) and tetrachloroethene (PCE) are present at the WMP Site. TCE and PCE are hazardous substances under Section 101 of CERCLA, 42 U.S.C. § 9601.

This information request is not a determination that you are responsible or potentially responsible for the presence of the contamination at the Site. The EPA is sending this letter as part of its investigation of the Site and believes that information from you will assist the Agency in assessing potential insurance coverage for the contaminated conditions at the Site. When the EPA determines that an individual or an entity is responsible or potentially responsible for response activities at a Site, the EPA sends a separate letter clearly stating such a determination as well as the EPA's basis for such determination.

CERCLA Section 104(e), 42 U.S.C. § 9604(e), gives the EPA the authority to require the respondent to respond to this information request (see Enclosure 1). We encourage you to give this matter your full attention, and we respectfully request you to respond to this request for information within thirty (30) days of receipt of this letter. You may designate another official with the requisite authority to respond on behalf of yourself. However, failure to respond to this information request may result in the EPA seeking penalties of up to \$57,317 per day of violation. In addition, furnishing false, fictitious or fraudulent statements or representations is subject to criminal penalty under 18 U.S.C. § 1001.

The EPA understands that the current COVID-19 crisis could make compliance with this information request impracticable. If you believe that you are unable to meet the 30-day deadline set forth above, please contact Melissa Waters, the designated Enforcement Officer for the Site,

at (404) 562-8873, or via email at <u>waters.melissa@epa.gov</u>, to discuss a reasonable extension of the deadline. Otherwise, please provide your written responses to Ms. Waters at the address included in Enclosure 1. Please refer to Enclosures 2 and 3 for important instructions and definitions and Enclosure 4 for specific questions that require your response to this Information Request.

If you have any questions regarding this letter, contact Ms. Waters at the phone number or email address provided above. For legal questions concerning this letter, please have your legal counsel contact Graham Burkhalter at (404) 562-9519, or by email at <a href="mailto:burkhalter.robert@epa.gov">burkhalter.robert@epa.gov</a>. Thank you for your attention to this matter.

Sincerely yours,

Melissa Waters Enforcement Project Manager Superfund and Emergency Management Division

Enclosures (4)

#### **ENCLOSURE 1**

## WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

### **RESPONSE TO INFORMATION REQUEST**

Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as the federal "Superfund" law, the U.S. Environmental Protection Agency responds to the release or threat of release of hazardous substances, pollutants or contaminants into the environment to stop additional contamination and to clean-up or otherwise address any prior contamination.

The EPA is requesting information under CERCLA Section 104(e), 42 U.S.C. § 9604(e). Pursuant to the authority of CERCLA § 104(e), you are hereby requested to respond to the enclosed information request. If you have any questions concerning the Walker Machine Products Site or this information request letter, please contact Melissa Waters, the designated Enforcement Officer for the Site, at phone number (404) 562-8873, or via email at <a href="waters.melissa@epa.gov">waters.melissa@epa.gov</a>. Please mail your response <a href="within 30 calendar days">within 30 calendar days</a> of your receipt of this request to the following address:

Melissa Waters SEB 11th Floor U.S. Environmental Protection Agency 61 Forsyth Street, S.W. Atlanta, Georgia 30303

If you or your attorney has legal questions that pertain to this information request letter, please contact Graham Burkhalter at phone number (404) 562-9519, or via email at <a href="mailto:burkhalter.robert@epa.gov">burkhalter.robert@epa.gov</a>. For contact via mail, use the following address:

Graham Burkhalter Assistant Regional Counsel CERCLA Law Office U.S. Environmental Protection Agency, Region 4 61 Forsyth Street, SW Atlanta, Georgia 30303

#### **BACKGROUND INFORMATION**

The Walker Machine Products Site is located at 459 Washington Street in Collierville, Tennessee, approximately 22 miles southeast of Memphis, Tennessee. The Site consists of one parcel of land covering an area of about 5 acres. The City of Collierville's Wellfield #1, serving about 13,800 people, is located about one-half mile downgradient of the Site. The soil, indoor air, and groundwater at the Site are contaminated with volatile organic compounds, including tetrachloroethene (PCE) and trichloroethene (TCE).

Walker Machine Products, Inc. (WMP) is a former owner/operator at the Site. The company manufactured precision fabricated metal products from the 1960s until approximately 2002. Information obtained by the EPA indicates that during its operations, WMP used chlorinated solvents like PCE and TCE to clean its finished products.

The EPA considers PCE as "likely to be carcinogenic" to humans by all routes of exposure. Studies in humans suggest that exposure to PCE may lead to a higher risk of bladder cancer, multiple myeloma, or non-Hodgkin's lymphoma. The EPA has characterized TCE as "carcinogenic in humans by all routes of exposure." There is strong evidence that TCE can cause kidney cancer in people and some evidence that it causes liver cancer and malignant lymphoma.

During its operations from the 1960s until approximately 2002, the WMP facility reportedly disposed of waste onto the ground and may have also disposed of solvents in an on-site oil/water separator. Spills and leaks of these chlorinated solvents by WMP resulted in contamination of the subsurface soil and groundwater beneath the Site. Because WMP owned the Site at the time that hazardous substances were disposed there, the EPA has named the company and its former owner and President, Harold D. Walker, Jr., as potentially responsible parties under Section 107(a)(2) of CERCLA, 42 U.S.C. § 9607(a)(2).

#### **ENCLOSURE 2**

## WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

### **INSTRUCTIONS**

- 1. Please provide a separate narrative response for each and every Question and subpart of a Question set forth in this information request.
- 2. Precede each answer with the Question (or subpart) and the number of the Question (and the letter of a subpart of a Question, if applicable) to which it corresponds.
- 3. If information or documents not known or not available to you as of the date of submission of a response to this Information Request should later become known or available to you, *you must supplement* your response to the U.S. Environmental Protection Agency (EPA). Moreover, should you find, at any time after submission of your response, that any portion of the submitted information is false or misrepresents the truth or, though correct when made, is no longer true, you must notify the EPA of this fact as soon as possible and provide the EPA with a corrected response.
- 4. For each document produced in response to this Information Request, indicate on the document, or in some other reasonable manner, the number of the Question (and the letter of a subpart of a Question, if applicable) to which it responds.
- 5. You may assert a business confidentiality claim covering part or all of the information that you submit in response to this request. Any such claim must be made by placing on (or attaching to) the information, at the time it is submitted to the EPA, a cover sheet or a stamped or typed legend or other suitable form of notice employing language such as "trade secret," "proprietary," or "company confidential." Confidential portions of otherwise non-confidential documents should be clearly identified and may be submitted separately to facilitate the identification and handling by the EPA. If you make such a claim, the information covered by that claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in Subpart B of 40 CFR Part 2. If no such claim accompanies the information when it is received by the EPA, it may be made available to the public by the EPA without further notice to you. The requirements of 40 CFR Part 2 regarding business confidentiality claims were published in the Federal Register on September 1, 1976, and were amended September 8, 1976, and December 18, 1985.
- 6. <u>Personal Privacy Information</u>. Personnel and medical files, and similar files the disclosure of which to the general public may constitute an invasion of privacy should be

segregated from your responses, included on separate sheet(s), and marked as "Personal Privacy Information."

7. <u>Objections to questions</u>. If you still have objections to some or all the questions within the Information Request Letter, you are still required to respond to each of the questions.

#### **ENCLOSURE 3**

## WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

### **DEFINITIONS**

The following definitions shall apply to the following words as they appear in this enclosure:

- 1. The terms "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of this Information Request any information which might otherwise be construed to be outside its scope.
- 2. The term "arrangement" means every separate contract or other agreement between two or more persons.
- 3. The terms "document(s)" and "documentation" mean any object that records, stores, presents, or transmits information, and include, but are not limited to, writings of any kind, formal or informal, whether or not wholly or partially in handwriting, including (by way of illustration and not by way of limitation) any invoice, manifest, bill of lading, receipt, endorsement, check, bank draft, canceled check, deposit slip, withdrawal slip, order; letter, correspondence, fax, telegram, telex, postcard; record book, minutes, memorandum of meetings and telephone and other conversations, telephone messages, inter- or intra-office communications; agreement, contract, and the like; log book, diary, calendar, desk pad, journal, scrapbook; bulletin, circular, form, pamphlet, statement; report, notice, analysis, notebook; graph or chart; photostat or other copy of any document; microfilm or other film record, photograph, or sound recording on any type of device; any tape, disc, or other type of memory generally associated with computers and data processing, together with the programming instructions and other written material necessary to use such disc, or disc pack, tape or other type of memory and printouts of such disc, or disc pack, tape or other type of memory; and attachments to, or enclosures with, any document as well as any document referred to in any other document. The term "document" shall also mean any electronically stored information, including but not limited to emails, word processing files, spreadsheets, presentations, databases, geographic information system ("GIS") maps, computer-aided design files, scanned or digital photos, and scanned document images.

- 4. The term "identify" means, with respect to a natural person, to set forth the person's name, present or last known business and personal addresses, email address(es), and telephone numbers, and present or last known job title, position or business.
- 5. The term "identify" means, with respect to a corporation, partnership, business trust or other association or business entity (including, but not limited to, a sole proprietorship), to set forth its full name, address, and legal form (e.g. corporation, partnership, etc.), organization, if any, a brief description of its business, and to indicate whether it is still in existence and, if it is no longer in existence, to explain how its existence was terminated and to indicate the date on which it ceased to exist.
- 6. The term "identify" means, with respect to any document(s), to provide its customary business description, its date, its number if any (invoice or purchase order number), subject matter, the identity of the author, addressor, addressee and/or recipient, and the present location of such document.
- 7. The term "Site" or "facility" shall mean and include the Walker Machine Products, Inc., Site in Collierville, Shelby County, Tennessee.
- 8. The term "you" or "Respondent" shall mean the addressee of this Request, the addressee's officers, managers, employees, contractors, trustees, partners, successors and agents.
- 9. The term "Walker Machine Products" means Walker Machine Products, Inc., including its immediate corporate family, all subsidiaries, all entities in which Walker Machine Products or its subsidiary maintains a controlling interest, all entities in which Walker Machine Products or its subsidiary is a principal owner, all entities over which Walker Machine Products or its subsidiary has the ability to exercise significant influence (or control) over the operating or financial policies, and all entities with which Walker Machine Products or its subsidiary has a substantial business relationship, as these terms are defined herein.
- 10. All terms not defined herein shall have their ordinary meanings, unless such terms are defined in CERCLA, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Clean Water Act, the Safe Drinking Water Act, or the Clean Air Act and their implementing regulations, in which case the statutory or regulatory definitions shall control.

#### **ENCLOSURE 4**

## WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

#### **QUESTIONS**

- 1. Provide copies of all casualty, liability, and/or pollution insurance policies issued by Respondent (or Respondent's predecessors) to Harold D. Walker, Jr and/or Walker Machine Products, Inc. from 1953 to present, including but not limited to comprehensive general liability, primary, umbrella and excess policies, as well as any environmental impairment liability or pollution legal liability insurance.
- 2. If there are any casualty, liability and/or pollution insurance policies issued by Respondent (or Respondent's predecessors) to Harold D. Walker, Jr and/or Walker Machine Products, Inc. from 1953 to present of which you have any evidence, or of which you are aware, but neither possess copies, nor are able to obtain copies, identify each such policy to the best of your ability by identifying:
  - a. The name and address of each insurer and of the insured;
  - b. The type of policy and policy numbers;
  - c. The per occurrence or per accident policy limits of each policy;
  - d. Whether each such policy is "primary" or "excess"; and
  - e. The commencement and expiration dates of such policy.
- 3. To the extent not identified in Questions 1 or 2 above, provide all other evidence of casualty, liability and/or pollution insurance issued to Harold D. Walker, Jr and/or Walker Machine Products, Inc. from 1953 to present.
- 4. For each policy of insurance identified in Questions 1, 2 or 3 above, provide all underwriting files, claim files, loss control files, and premium audits, as well as any accounting records including retrospective rating adjustments, for each such policy.
- 5. Provide all documents and files that constitute, evidence, refer, or relate to claims made by Harold D. Walker, Jr and/or Walker Machine Products, Inc. under any of the policies identified in Questions 1, 2 or 3.

- 6. Identify all previous settlements by Respondent (or Respondent's predecessors) with Harold D. Walker, Jr and/or Walker Machine Products, Inc. which relate in any way to environmental liabilities and/or casualty, liability and/or pollution insurance coverage, including:
  - a. The date of the settlement;
  - b. The scope of release provided under such settlement; and
- c. The amount of money paid by Respondent pursuant to such settlement. Provide copies of all such settlement agreements.
- 7. Identify all insurance agencies or brokerage firms that placed any casualty, liability and/or pollution insurance policies issued by Respondent (or Respondent's predecessors) to Harold D. Walker, Jr. and/or Walker Machine Products, Inc. from 1953 to present. Include the name, address, telephone number and time period when the agency placed insurance on behalf of the Respondent as well as the name and current whereabouts, if known, of individuals at the agency or brokerage firm with whom the Respondent communicated and the nature of the communication. If the Respondent believes no agency or brokerage firm was used to place casualty and/or liability and/or environmental insurance on behalf of Harold D. Walker, Jr. and/or Walker Machine Products, Inc., provide an explanation of how such insurance was placed.

WOODBURY & CO.

500 Wachovia Building P.O. Box 270 Wilmington, N.C. 28401 Dial 919 / 763-3431



INSURED NO.

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014 OXIXIX 12813

HORTON IRON & METAL CO INC P. O. BOX 1285

WILMINGTON, NC 28401

711 10-18-73

PORTION TO INSU PROPER CREDIT INSURED NAME PAYMENT ENCLOSED ff AGENT: MORTGAGEE: PAYMENT PERIOD PREMIUM POLICY NO. TYPE OF COVERAGE EFFECTIVE DATE INSURES TO 1716.00 AUTOMOBILE Fleet 10-18-73 10-18-74 77634398 Liability 10 vehicles (Experience Mod. has not been applied)

This invoice is being sent to you so that you may continue this important protection! Your premium is due and payable on the effective date. Please contact us if you have any questions about this coverage. Thank you!

Woodbury & Co., 500 Wachovia Building, P.O. Box 270, Wilmington, N.C. 28401

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### Renewal Certificate

PLEASE ATTACH TO YOUR POLICY RENEWAL OF POLICY NUMBER OB 42-93-23 HORTON IRON AND METAL COMPANY Named Insured WILMINGTON, NORTH CAROLINA Policy Period: Standard time and place as stated in the policy. From: REPRESENTATIVE: Sub-agent or Broker NAME CODE NO. Reporting agent Premium \$ 66.00 Amount \$ 2,400.00 2.75

3-23 BE

In consideration of the payment of the premium, it is agreed that the policy designated above is continued in force for the policy period stated above, subject to the terms and, conditions thereof.

In Witness whereof, the Company has caused this certificate to be signed by its president and a secretary at Hartford, Connecticut, and countersigned by a duly authorized representative of the Company.

Authorized Representative

Form 510-205 Ed Aug 69 Printed in U.S.A.

2/13/74

WOODBURY & CO.

500 Wachovia Building P.O. Box 270 Wilmington, N.C. 28401 Dial 919 / 763-3431

YOUR Independent Insurance AGENT SERVES YOU FIRST

014 12813

Horton Iron & Metal Co., Inc. P. O. Box 1285 Wilmington, N.C. 28401

PLEASE RETURN THIS PORTION TO INSURE PROPER CREDIT. THANK YOU!

Payment Enclosed

AGEN	Т		MORTGAGEE:			
				PRE	MIUM	BALANCE
Co. No.	BILLING PERIOD	C & T	POLICY NO. & DESCRIPTION	CHARGE	CREDIT	BALANCE
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FUTURE INSTALLMENTS ARE DUE & PAYABLE			L'Eability Collision	PREMIUM	DATE	PREMIUM

Premiums Due and Payable on Effective Dates of Policy

Woodbury & Co., 500 Wachovia Building, P.O. Box 270, Wilmington, N.C. 28401

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6. 1968 Chevrolet	5 Ton Truck	S#CE	638A15363	4 2/7	4 U	4	CA 17
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Such insurance as is afforded for loss of or damage to the automobile is payable as interest may appear to the named insured and

Address Name

Date of Issue 2/13/74

Countersigned by Woodbury & CV.

Authorized Representative

f

## WOODBURY & Co.

AGENTS AND BROKERS
500 WACHOVIA BUILDING

LOUIE E. WOODBURY, JR.
PRESIDENT
WILMINGTON, NORTH CAROLINA 28401
LOUIE E. WOODBURY III, C. P. C. U.

EUGENE B. WOODBURY
VICE PRESIDENT

October 22, 1973

TELEPHONE (919) 763-3431 Post Office Drawer 270

Mr. Terry Horton Horton Iron & Metal Company, Inc. Post Office Box 1285 Wilmington, North Carolina 28401

Dear Mr. Horton:

Re: Auto Fleet Liability Policy No. 77634398

We are pleased to enclose the renewal of your Fleet Automobile Liability Policy.

The experience modification has not been applied to the policy premium yet. We will apply the debit or credit as soon as we receive same from the company.

Please go over the list of vehicles covered under the policy to make sure that we have all of your units covered. Let us know if there should be any changes made.

Assuring you it is a pleasure to be of service.

Yours very truly,

WOODBURY & CO.

(Mrs.) Frances Fussell

Frances Fussell

FF:pt

Enclosure

Prior Number • 7756-30-01

Policy Number

7763-43-98

GENERAL LIABILITY—AUTOMOBILE POLICY

Agency No. 4-27860

Item 1.

Producer's Name & Address

Named Insured & Address

Woodbury & Co. Wilmington, N.C.

Horton Iron & Metal Co., Inc.
 and Horton Industries, Inc.
 U S Highway 421, P. O. 1285
 Wilmington, North Carolina

## FEDERAL INSURANCE COMPANY

Incorporated under the Laws of New Jersey
(A stock insurance company, herein called the company)



CHUBB & SON INC.

Manager

90 John Street, New York, N.Y. 10038

Named Insured is	Individual Partnership XX Corporation Joint Venture Other	
	12:01 A.M. standard time at the address of the Named Insured as stated From: $10-18-72$	Audit Period—Annual unless otherwise stated below

Item 3. Insurance is afforded on Coverage Part	ly with respect to the Advance Premium	Coverage Part(s) specified by a premium charge: Coverage Part	Advance Premium
and the second	\$		\$
Comprehensive General Liability Insurance	\$	Comprehensive Automobile Liability Insurance	\$ Incl.
Personal Injury Liability Insurance	\$	Automobile Medical Payments Insurance	\$ Incl.
Contractual Liability Insurance (Blanket)	\$	Protection Against Uninsured Motorists Insurance	\$ Incl.
Contractual Liability Insurance (Designated Contracts Only)	\$	Automobile Physical Damage Insurance (Fleet Automatic)	\$
Premises Medical Payments Insurance	\$	Automobile Physical Damage Insurance (Non-Fleet)	\$Incl.
Owners', Landlords' and Tenants' Liability Insurance	\$	Automobile Physical Damage Insurance (Dealers)	\$
Manufacturers' and Contractors' Liability Insurance	\$	Garage Insurance	\$
Owners' and Contractors' Protective Liability Insurance (Coverage for Operations of Designated Contractor)	\$		\$
Comprehensive Personal Insurance	\$		\$
Farmowner's Comprehensive Personal Insurance	\$		\$
Farmowner's Medical Payments Insurance	\$		\$
	\$		\$
4		TOTAL	\$ 1.500

Lugene B. Wandbury

ADVANCE PREMIUM

1789.

This Declaration page with Policy Provisions, Coverage Part(s) and Endorsement(s) complete above numbered policy.

- 8. 1798.

IN WITNESS WHEREOF, the said FEDERAL INSURANCE COMPANY has caused this policy to be signed by its Chairman, President and Secretary, but it shall not be valid unless countersigned by a duly authorized representative of The Company.

Fulnier & Nardner

William M. Kee

They Challe:

## WOODBURY & Co.

AGENTS AND BROKERS 500 WACHOVIA BUILDING

WILMINGTON, NORTH CAROLINA 28401

October 2, 1972

TELEPHONE (919) 763-3431 POST OFFICE DRAWER 270



LOUIE E. WOODBURY, JR. PRESIDENT

LOUIE E. WOODBURY III VICE PRESIDENT EUGENE B. WOODBURY

> Mr. Terry Horton Horton Iron and Metal Company, Inc. P. O. Box 1285 Wilmington, North Carolina 28401

Dear Mr. Horton:

Re: Auto Fleet Liability Policy No. 77634398

We are pleased to enclose the renewal of your Fleet Automobile Liability Policy.

The experience modification has not been applied to the policy premium yet. We will apply the debit or credit as soon as we receive same from the company.

Please go over the list of vehicles under the policy to make sure that we have all of your units covered. Let us know if there should be any changes.

Assuring you it is a pleasure to be of service.

Yours very truly,

WOODBURY & CO.

(Mrs.) Frances Fussell

Frances) Fussell

FF:pt

Enclosure

## NORTH CAROLINA AUTOMOBILE RATE ADMINISTRATIVE OFFICE

1700 Hillsborough Street

P. O. Box 12227

RALEIGH, N. C. 27605

PAUL L. MIZE General Manager

November 26, 1973

JOHN W. WATKINS Assistant Manager

Mr. R. T. Horton, Sr. Vice President Horton Iron & Metal Company, Inc. P. O. Box 270 Wilmington, North Carolina 28401

Re: Experience Rating Data

Dear Mr. Horton:

In compliance with the request contained in your letter of November 15, 1973, attached hereto is a copy of the experience rating data used by our Office to establish an automobile liability basic limits experience modification of 1.08 applicable to your firm effective October 18, 1973.

We trust this information will be helpful to you.

Very truly yours,

R. Michael Jones Rating Supervisor

RMJ: lw

Enclosure

# COMPENSATION RATING AND INSPECTION BUREAU OF NORTH CAROLINA

RALEIGH, NORTH CAROLINA

W. F. LAUGHLIN General Manager Telephone 828-5725 October 4, 1965

P. O. Box 1471

ZIP Code 27602

Mr. R. T. Horton Horton Iron and Metal Company 1705 North Fourth Street P. O. Box 1285 Wilmington, North Carolina

Dear Mr. Horton:

In response to your request of September 29, 1965, addressed to the North Carolina Industrial Commission, which request was forwarded to this Bureau, I wish to inform you that the experience modifications requested by you, applicable to the operations of Horton Iron and Metal Company, Inc., are as follows:

Year	Modification
1961	1.15
1962	1.23
1963	1.29
1964	1.07
1965	1.25

Yours very truly,

W. F. Laughlin General Manager

WFL: dc

November 15, 1973

North Carolina Rate Administrative Office P. O. Box 12227 Raleigh, North Carolina 27605

Gentlemen

Please forward us a copy of our experience rating data used in establishing rates for our fleet of vehicles.

Please return this information to us at P. O. Box 270, Wilmington, North Carolina 28401.

Thank you.

Very truly yours

Horton Iron & Metal Co.

R. T. Horton, Sr. Vice-President

RTH/at

## WOODBURY & Co.

AGENTS AND BROKERS
500 WACHOVIA BUILDING

LOUIE E. WOODBURY, JR.
PRESIDENT
LOUIE E. WOODBURY III, G. P. C. U.
VICE PRESIDENT
VICE PRESIDENT

WILMINGTON, NORTH CAROLINA 28401

TELEPHONE (919) 763-3431 Post Office Drawer 270

November 13, 1973

Mr. Ralph Horton Horton Iron & Metal Co., Inc. P. O. Box 1285 Wilmington, N. C. 28401

Dear Mr. Horton:

Re: Auto Policy #77634398

Per our telephone conversation this morning, I am enclosing a form letter to be typed on your stationary to obtain a breakdown of your fleet experience rate.

When this comes in, Mr. Woodbury will go over it with you.

Yours very truly,

WOODBURY & CO.

(Mrs.) Frances Fussell

Trances Fussell

ff

Enclosure

### TO BE TYPED ON CORPORATE STATIONARY

DATE

North Carolina Rate Administrative Office P. O. Box 12227 Raleigh, North Carolina 27605

#### Gentlemen:

Please forward us a copy of our experience rating data used in establishing rates for our fleet of vehicles.

Please return this information to us at P. O. Box 270, Wilmington, North Carolina 28401.

Thank you.

Yours very truly,

(1)

(2)

ff

- (1) Corporate Name
- (2) Signature Title

## WOODBURY & CO.

AGENTS AND BROKERS 500 WACHOVIA BUILDING

WILMINGTON, NORTH CAROLINA 28401

TELEPHONE (919) 763-3431 Post Office Drawer 270

LOUIE E. WOODBURY, JR.
PRESIDENT
LOUIE E. WOODBURY III
VICE PRESIDENT
EUGENE B. WOODBURY
VICE PRESIDENT April 3, 1973

General Electric Company P. O. Box 780 Wilmington, N. C. 28401

Attention: Mr. John Pistolis

Horton Iron & Metal Co., Inc.

Auto Policy #77634398

We are pleased to enclose certificate of insurance showing your interest in insurance coverage we carry for this insured.

Yours very truly,

WOODBURY & CO.

Frances Fussell (Mrs.) Frances Fussell

ff

Enclosure

Horton Iron & Metal Co., Inc.



## CHUBB & SON INC.

Manager

90 John Street, New York, New York 10038

[3	Federal Insurance Company
	Vigilant Insurance Company
	Sun Insurance Office, Ltd.
	<b>Great Northern Insurance Company</b>
	Other (specify)

### CERTIFICATE OF INSURANCE

This is to certify that the Company indicated by  $\boxtimes$  has issued to the Named Insured insurance affording such coverages as are indicated by a specific (X) entry in the Coverage column subject to the terms, conditions, and exclusions of the policy(ies) and that such insurance is in force as of (date)

Certificate No.

Name and address of party to whom this certificate is issued

Named Insured and address

General Electric Company P. O. Box 780 Wilmington, N. C. 28401

Horton Iron & Metal Co., Inc. and Horton Industries, Inc. U. S. Highway 421, P. O. Box 1285 Wilmington, N. C. 28401

Attention: John Pistolis

TYPE OF POLICY	Coverage	POLICY NUMBER	POLICY PERIOD		LIMITS OF	LIABILITY
Standard Workmen's Compensation & Employers' Liability			Eff. Exp.	Statutory—In of the State		with the Compensation Law
General Liability—BODILY INJURY Premises-Operations			\			Fort Borner
Elevators				) \$		Each Person
Independent Contractors			1	> \$		Each Occurrence
Products-Completed Operations				) \$		Aggregate-Products-Compl. Ope
Incidental Contractual			1	)		
Specified Contractual*				\$		Each Person
Blanket Contractual			Eff.	\$		Each Occurrence
General Liability—PROPERTY DAMAGE Premises-Operations			Exp.	) \$		Each Occurrence
Elevators			1	( \$		Aggregate-Prem. Oper.
Independent Contractors			1	\$		Aggregate-Protective
Products-Completed Operations				) \$		Aggregate-Products-Compl. Ope
Incidental Contractual				7		
Specified Contractual*				) \$		Each Occurrence
Blanket Contractual			/	\$		Aggregate
Automobile Liability—BODILY INJURY Owned Automobiles Hired Automobiles	х			(\$ 100,	000	Each Person
	X		C#			Feel Occurrence
Non-owned Automobiles	X	77634398	Eff. 10/18/72	2)\$ 300,	000	Each Occurrence
Automobile Liability—PROPERTY DAMAGE			Exp.10/18/73	3		
Owned Automobiles	x		1			and the second s
Hired Automobiles	x		1	\$ 10,	000	Each Occurrence
Non-owned Automobiles	x		1	)		14

\* Coverage is provided for liability assumed by the Named Insured for the contract between the Named Insured and

dated as provided in the contractual liability coverage part attached to the policy.

If the policies are cancelled or changed in such manner as to affect this certificate, the Company will mail to the party to whom this certificate is issued, at the address shown above, 10 days notice of any such change or cancellation.

This certificate shall not be valid unless signed by an authorized representative of the Company.

Authorized Representative

Prior Number • 7751-68-27

Policy Number

7756 30 30 01

GENERAL LIABILITY—AUTOMOBILE POLICY

Agency No. 4-27860

Item 1.

Named Insured & Address

Producer's Name & Address

 Horton Iron & Metal Co., Inc. and Horton Industries, Inc. U S Highway 421, P.O. 1285 Wilmington, North Carolina Woodbury & Company Wilmington, N.C.

#### FEDERAL INSURANCE COMPANY

Incorporated under the Laws of New Jersey (A stock insurance company, herein called the company)

CHUBB & SON INC. 90 John St., New York, N. Y. 10038



Item 3. Insurance is afforded on Coverage Part	ly with respect to Advance Prem	o the Coverage Part(s) specified by a premium charge: nium Coverage Part	Advance Premium
1 2	\$		\$
Comprehensive General Liability Insurance	\$	Comprehensive Automobile Liability Insurance	\$ Inc.
Personal Injury Liability Insurance	\$	Automobile Medical Payments Insurance	\$ Inc.
Contractual Liability Insurance (Blanket)	\$ -	Protection Against Uninsured Motorists Insurance	\$ Inc.
Contractual Liability Insurance (Designated Contracts Only)	\$	Automobile Physical Damage Insurance (Fleet Automatic)	\$
Premises Medical Payments Insurance	\$	Automobile Physical Damage Insurance (Non-Fleet)	\$ Inc.
Owners', Landlords' and Tenants' Liability Insurance	\$	Automobile Physical Damage Insurance (Dealers)	\$
Manufacturers' and Contractors' Liability Insurance	\$	Garage Insurance	\$
Owners' and Contractors' Protective Liability Insurance (Coverage for Operations of Designated Contractor)	\$		\$
Comprehensive Personal Insurance	\$		\$
Farmowner's Comprehensive Personal Insurance	\$		\$
Farmowner's Medical Payments Insurance	\$		\$
	\$		\$

IN WITNESS WHEREOF, the said FEDERAL INSURANCE COMPANY has caused this policy to be signed by its Chairman, President and Secretary, but it shall not be valid unless countersigned by a duly authorized representative of The Company.

Fulnier & Sardner

William M. Kees

Tany Challe:

J-2428(30M)

Form No. 21000 F. (Rev. 3-68)

## WOODBURY & CO.

AGENTS AND BROKERS
500 WACHOVIA BUILDING

WILMINGTON, NORTH CAROLINA 28401

Telephone (919) 763-3431 Post Office Drawer 270

LOUIE E WOODBURY, JR
PRESIDENT
LOUIE E WOODBURY III
VICE PRESIDENT
EUGENE B WOODBURY
VICE PRESIDENT

May 15, 1972

Horton Iron & Metal Co., Inc. P. O. Box 1285 Wilmington, N. C. 28401

Gentlemen:

Re: Auto Policy #77563001

We are pleased to enclose endorsement adding liability coverage for the 1955 Mack Tractor and deleting coverage from the 1952 GMC Tractor. Please attach this endorsement to your policy.

Assuring you it is a pleasure to be of service.

Yours very truly,

WOODBURY & CO.

(Mrs.) Frances Fussell

Frances Fussell

ff

Enclosure

1959 Ford Truck S#F60C9N28794 Class 4CA Policy ceases to cover  I-H-S-R-Perf. Identification or Purchased New Purchase Rate and	D.T.C. fes or No
In consideration of payment of the premium, it is agreed the Policy Declarations are changed as indicated.  Change, addition or elimination of automobile  Policy now covers  at No. Year Trade Name Compact Car Trade Name No. Year Trade Name Compact Car Trade Name No. Year	D.T.C.
In consideration of payment of the premium, it is agreed the Policy Declarations are changed as indicated.  Change, addition or elimination of automobile  Policy now covers  at No. Year Trade Name Compact Car Trade Name No. Year Trade Name Compact Car Trade Name No. Year	D.T.C.
In consideration of payment of the premium, it is agreed the Policy Declarations are changed as indicated.  Change, addition or elimination of automobile  Policy now covers  at No. Year Trade Name Compact Car Trade Name No. Year Trade Name Compact Car Trade Name No. Year	D.T.C.
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ar No. Year Trade Name C.Compact Car Litrailer P.Pickup Serial Number Body Type Mo. Yr. or Used Cost Sym. S. D. Class Terr.  1959 Ford Truck S#F60C9N28794 Class 4CA  Policy ceases to cover  ar No. Year Trade Name C.Compact Car T.Trailer P.Pickup Serial Number Body Type Purchased New Purchase Cost Sym. S. D. Class Terr. You not seed to cover a continuous continu	
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Coverage is included, excluded, amended as indicated by an X in the "I", "E", "A" columns below:	D.T.C. res or No
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Amended CLASS CITY COUNTY REDUCTION I	ERWRITER REVIEW
stallments Liability, Med, UMC Comp, Coll, Towing	
Premium Due	
Loss Payee Certificate of Insurance Yes No	
Such insurance as is afforded for loss of or damage to the automobile is payable as interest may appear to the named insured and  Name  Address	
ff Date of Issue 2/22/72 Countersigned by Eugen B. Wandbury Authorized Representative	

DATE

WOODBURY & CO.

500 Wachovia Building

P.O. Box 270

YOUR Independent Insurance AGENT SERVES YOU FIRST

Wilmington, N.C. 28401 Dial 919 / 763-3431

011 12813

1/19/73

Horton Iron & Metal Co., Inc. P. O. Box 1285
Wilmington, N. C. 28401

3533

PLEASE RETURN THIS PORTION TO INSURE PROPER CREDIT. THANK YOU!

Payment Enclosed

AGEN	T		MORTG	AGEE:				
				Cal Vota		PRE	EMIUM	BALANCE
Co. No	BILLING PERIOD	C & T	POLICY NO. & DESCRIPTION			CHARGE	CREDIT	BALANCE
10	1/2/73 to 10/18/73	105	53	398-delete PU Liabil			93.00	
	FUTURE NSTALLMENTS ARE		DATE	PREMIUM	DATE	PREMIUM	DATE	PREMIUM

Premiums Due and Payable on Effective Dates of Policy

Woodbury & Co., 500 Wachovia Building, P.O. Box 270, Wilmington, N.C. 28401

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Ment of Below Cha	ing ing liti inin ing ing	checked	ed I	nsured bile obile omobile e ium	Principal Garage Policy   Incerpolates   Expire Agent   Namor	nged ge otion ration	1/2/ Hort	18/72 18/73 DBURY & CO		L Co.,	Inc	•3/			
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ar No.		Year			I-H-S-R-Perf, C-Compact Car Trailer P-Pickup	Identificat Serial Nu	mber	Body Type	Mo. Yr.	New or Used	Purchase Cost	Sym.	Rate a S. D. CI		D.T.C. Yes or No
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f Da	te	of Issue_		1/19/73			Count	Address ersigned by	Rou	i E.	Autho	orized Re	<u>Olice</u>	ry D	

FORM 14528 (REV. 4-71)



## WOODBURY & Co.

Agents and Brokers 77634398

DUIE E. WOODBURY, JR.

PRESIDENT

LOUIE E. WOODBURY III

VICE PRESIDENT

EUGENE B. WOODBURY

VICE PRESIDENT

TELEPHONE
POST OFFICE

TELEPHONE (919) 763-3431 POST OFFICE DRAWER 270

Wachoyan Bank & Toust Co October 16, 1972

Time Payment Department is therefore over the pull of the part of the part of the payment of the payment of the partment is the payment of th Wachovia Bank & Trust Company
Wilmington, North Carolina 28401

as reassess 1969 Minrole Cont. Sepy81A894924

Attention: Mrs. Stevens

Lesses Martgager, Ower er the Cebr Horton Iron & Metal Co., of Inc. me extent of such upon less to subregated to all Registration in the metal co., or may at its option, pay to the Limitable may whate principal day or to grow due on the mortges

We are enclosing photo copy of the above insured's auto fleet policy along with loss payable clause showing your de de communitarest in 1969 Lincoln you have financed for this insured.

Yours very truly,

WOODBURY & CO.

Francis) Fussell (Mrs.) Frances Fussell

ff

Enclosure

cc: Horton Iron & Metal Co., Inc.



## **ENDORSEMENT**

Date Issued 11-1-72

Endorsement No. 7

Insured Horton Iron & Metal Co., Inc.

Policy No. 7763-43-98

Name of Company Federal Insurance

Effective Date 10-18-72

Producer

Woodbury & Co.

In consideration of additional premium \$641 (\$364 BI, \$263 PD, \$14 Med.) it is agreed the Exp. Mod . 1.43 is applied to the Automobile Liability Coverage.

End. #7

All Other Terms and Conditions Remain Unchanged

Eugene B. Woodbury
Authorized Representative

FORM 1380 (REV. 8-71)

K-5640 (50M)

(6)	Expected Loss Ratio (**	.2/2	
(7)	Adjusted Loss Ratio [(5) + (6)]	. 711	
(8)	Experience Modification [(7) ÷ Expected Loss Ratio(**-1497)]	1.43	
(9)	Percentage Credit [1.00 - (8)] × 100	%	%
(10)	Percentage Debit [(8) - 1.00] × 100	1/3 %	%
	COMPLITATION OF AVERACE EXPECTED LOS	CDAMIO	

STATE	TYPE OF OPERATION Garages, Publics Long Haul Etc.	(47) Basic Limits Premium Subject to Experience Rating	(48) Expected Loss Ratio††	(49) "D" Ratio § .	(50) Expected Losses (47) x [ (48) x (49) ]
	' = '	Transfer I	824	- 9 - 7,	- 1000
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Total (c)	XXXX		(50c÷47c)	XXX	10 10 10 10 10 10 10 10 10 10 10 10 10 1

<sup>.</sup> For rating on a deductible basis refer to Section V of Plan.

<sup>..</sup> If more than one expected loss ratio is involved insert average expected loss ratio computed in 48(c) above.

<sup>†</sup> This column used only when (1) (A) is \$30,000 or more.

<sup>11</sup> For Applicable Expected Loss Ratios See Rule 13, Section I of Plan and Table of Expected Loss Ratios.

Item (49) "D" Ratio applies only in the development of the Basic Limits Experience Modification. A separate Average Expected Loss Ratio excluding

Item (49) shall be used in computing an Increased Limits Experience Modification.

Changes e	ffective by this endorse- checked by	Policy Nu		7756	5-30-01			3			
⊠ Below	checked by	Endorsem	man tu nganara	10/	18/71						
and the state of t	of Named Insured	Named In	sured	Hort	con Iron	& Meta	1 Co.,	Inc.			
	of Automobile	1		and	Horton I	ndustr	ies, I	nc.			
	n of Automobile										
☑ Elimina	tion of Automobile	Address if	Changed								
	of Address										
	of Coverage	Principal	1.0								
	ion of Premium		Inception	10/1	L8/71						
7.1	of Garage Location	Dates )	Expiration	10/1	18/72						
☐ Change	of Class:		Name	MOOI	DBURY & C	0.					
rom	to	Broker	Code No.	4-27	7860	1					
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1. 19	959 Chevrolet	Pickup	S#3B591	B1043				198825 3M			
4. 19	953 Diamond Tr	uck S#	K2671-20	053	Clas	s 4CA					
overage i	s included, excluded, amen	ided as indi	cated by an X	in the '	'I", "E", "A" co	umns below:			_		
IE	CAR NO. ANNUAL PREM.	ADDT'L PR	EM. RETURN	N PREM.		LIMITS	OF LIABI	LITY	1	COVE	RAGES
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							each				
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	Name				Address						
	1_ 110	1111	т. т	he F	ederal In	suranc	e Comr	anv			
Date			.,		• • • • • • • • • • • • • • • • • • • •						
V 111	has ca	used this en	gorsement to h	e staned	by a duly author	zed represent	tative of the	Company			

FORM 14528 (REV. 2-70)

11/3/71

ORIGINAL

K-1168 (25M)

10/18/10 - 10/18/11

## GENERAL LIABILITY—AUTOMOBILE POLICY

Item 1.

#### Named Insured & Address

 Horton Iron & Metal Co., Inc. and Horton Industries, Inc. U S Highway 421, P.O.Box 1285 Wilmington, N. C. 28401

FEDERAL INSURANCE COMPANY

Pr FOR ALL YOUR INSURANCE NEEDS

W 5

W

WOODBURY INSURANCE AGENCY

WILMINGTON, N. C. 28401

# CHUBB & SON INC.

90 John Street, New York, N.Y. 10038



## GENERAL LIABILITY-AUTOMOBILE POLICY

This policy provides general liability or automobile insurance or both, as shown on the pages within. Please read your policy.

Prior Number • '

Policy Number

Agency No.

7751=68=27

GENERAL LIABILITY—AUTOMOBILE POLICY

Item 1.

Named Insured & Address

Horton Iron & Metal Co., Inc. and Horton Industries, Inc. U S Highway 421, P.O.Box 1285 Wilmington, N. C.

Producer's Name & Address

WOODBURY INSURANCE AGENCY 500 Wachovia Building Wilmington, N. C. 28401

> CHUBB & SON INC. 90 John St., New York, N. Y. 10038



lamed Insi	ured is Inc	lividual Part	nership 🗔	Corporation	Joint	Other		

Policy Period:

ff

of the Named Insured as stated

12:01 A.M. standard time at the address

FEDERAL INSURANCE COMPANY

Incorporated under the Laws of New Jersey

(A stock insurance company, herein called the company)

10/18/71

Audit Period—Annual unless otherwise stated below

tem 3. Insurance is afforded only with respect to the Coverage Part(s) specified by a premium charge:  Coverage Part Advance Premium Coverage Part									
	\$		\$						
Comprehensive General Liability Insurance	\$	Comprehensive Automobile Liability Insurance	\$ Incl.						
Personal Injury Liability Insurance	\$	Automobile Medical Payments Insurance	\$ Incl.						
Contractual Liability Insurance (Blanket)	\$	Protection Against Uninsured Motorists Insurance	\$ Incl.						
Contractual Liability Insurance (Designated Contracts Only)	\$	Automobile Physical Damage Insurance (Fleet Automatic)	\$						
Premises Medical Payments Insurance	\$	Automobile Physical Damage Insurance (Non-Fleet)	\$ Incl.						
Owners', Landlords' and Tenants' Liability Insurance	\$	Automobile Physical Damage Insurance (Dealers)	\$						
Manufacturers' and Contractors' Liability Insurance	\$	Garage Insurance	\$						
Owners' and Contractors' Protective Liability Insurance (Coverage for Operations of Designated Contractor)	\$		\$						
Comprehensive Personal Insurance	\$		\$						
Farmowner's Comprehensive Personal Insurance	\$		\$						
Farmowner's Medical Payments Insurance	\$		\$						
	\$		\$						
f. I mall.	es Ours	TOTAL ADVANCE PREMIUN	\$2477.00						

Authorized Representative WOODBURY INSURANCE AGENCY

This Declaration page with Policy Provisions, Coverage Part(s) and Endorsement(s) complete above numbered policy.

IN WITNESS WHEREOF, the said FEDERAL INSURANCE COMPANY has caused this policy to be signed by its Chairman, President and Secretary, but it shall not be valid unless countersigned by a duly authorized representative of The Company.

Secretary

Welliam 7

Chairman

1-10233 (30M)

# WOODBURY & Co.

AGENTS AND BROKERS
500 WACHOVIA BUILDING

WILMINGTON, NORTH CAROLINA 28401

TELEPHONE (919) 763-5186 Post Office Drawer 270

LOUIE E. WOODBURY, JR.
PRESIDENT
LOUIE E. WOODBURY III
VICE PRESIDENT
EUGENE B. WOODBURY
VICE PRESIDENT

August 19,1971

Mr. Terry Horton Horton Iron & Metal Co., Inc. P. O. Box 1285 Wilmington, N. C. 28401

Dear Mr. Horton:

Re: Auto Fleet Policy #77516827

We are in the process of renewing your automobile fleet policy. We are enclosing a list of equipment we have presently covered under this policy. We will appreciate very much your checking out this list letting us know if there should be any changes made in the list of equipment or the coverages for each vehicle.

We are also enclosing a list of drivers which we will appreciate your up-dating and returning to us along with the list of equipment.

Thank you very much for your help.

Yours very truly,

WOODBURY & CO.

(Mrs.) Frances Fussell

Frances Fussell

ff

Enclosures 2

WOODBURY INSURANCE AGENCY

AGENTS AND BROKERS
500 WACHOVIA BUILDING

WILMINGTON, NORTH CAROLINA 28401

TELEPHONE (919) 763-5186 Post Office Drawer 270

February 5, 1971

Mr. Terry Horton Horton Iron & Metal Co., Inc. P. O. Box 1285 Wilmington, N. C. 28401

Dear Mr. Horton:

Re: Auto Policy #77516827

We are pleased to enclose endorsement which we will appreciate your attaching to your policy adding liability coverage for a 1950 Chevrolet Truck and deleting the 1958 International Truck.

Assuring you it is a pleasure to be of service.

Yours very truly,

WOODBURY & Co.

(Mrs.) Frances Fussell

Mrs. Francis Fussell

ff

LOUIE E. WOODBURY, JR.

LOUIE E. WOODBURY III

EUGENE B. WOODBURY

Enclosure



# CHUBB/PACIFIC INDEMNITY GROUP

3200 Wilshire Boulevard

## DECLARATIONS

GENERAL LIABILITY-AUTOMOBILE POLICY

90 John Street New York, N.Y. 10038

(74) 7763-43-98

Los Angeles, Calif. 90010

Producer Number

Policy Number (75) 7763-43-98

Item 1

Prior Number

Named Insured & Address

Horton Iron & Metal Co., Inc. and Horton Industries, Inc. U. S. Highway 421, P. O. 1285 Wilmington, North Carolina Name, Mailing Address of Producer WOODBURY & CO. Wilmington, N. C.

Issued by the stock insurance company indicated (by "x" below), herein called the company.

X FEDERAL INSURANCE COMPANY Incorporated under the laws of New Jersey

PACIFIC INDEMNITY COMPANY Incorporated under the laws of California

SUN INSURANCE OFFICE LIMITED Incorporated under the laws of England

Venture

4-27860

Corporation Partnership 12:01 A.M. standard time at the address

Other Audit Period-Annual unless otherwise stated below

10-18-74 To 10-18-75 Policy Period: of the Named Insured as stated

Item 3. Insurance is afforded only Coverage Part	with respect to the Advance Premium	Coverage Part(s) specified by a premium charge:  Coverage Part	Advance Premium
	\$		s
Comprehensive General Liability Insurance	\$	Comprehensive Automobile Liability Insurance	s Incl.
Personal Injury Liability Insurance	s	Automobile Medical Payments Insurance	\$ Incl.
Contractual Liability Insurance (Blanket)	s	Protection Against Uninsured Motorists Insurance	\$ Incl.
Contractual Liability Insurance (Designated Contracts Only)	s	Automobile Physical Damage Insurance (Fleet Automatic)	s
Premises Medical Payments Insurance	s	Automobile Physical Damage Insurance (Non-Fleet)	s Incl.
Owners', Landlords' and Tenants' Liability Insurance	\$	Automobile Physical Damage Insurance (Dealers)	s
Manufacturers' and Contractors' Liability Insurance	\$	Garage Insurance	\$
Owners' and Contractors' Protective Liability Insurance (Coverage for Operations of Designated Contractor)	s		s
Comprehensive Personal Insurance	s		s
Farmer's Comprehensive Personal Insurance	\$	The second secon	s
Farmer's Medical Payments Insurance	\$		s
	\$		\$

2172.

CED: vhw 10-1-74
This Declaration Page with Policy Provisions, Coverage Part(s) and Endorsement(s) complete above numbered policy.

In Witness Whereof, the company issuing this policy has caused this policy to be signed by its authorized officers, or the authorized officers of its U.S. Manager, Chubb & Son Inc., but this policy shall not be valid unless also signed by a duly authorized representative of the company.

PACIFIC INDEMNITY COMPANY

FEDERAL INSURANCE COMPANY

CHUBB & SON INC., U.S. MANAGER of

William M. Kees French & Norden

## WOODBURY & Co.

AGENTS AND BROKERS
500 WACHOVIA BUILDING

LOUIE E. WOODBURY, JR.
PRESIDENT
LOUIE E. WOODBURY III, C. P. C. U.
VICE PRESIDENT
EUGENE B. WOODBURY
VICE PRESIDENT
F. DONALD HICKMAN

WILMINGTON, NORTH CAROLINA 28401

Telephone (919) 763-3431 Post Office Drawer 270

October 6, 1975

Mr. Ralph Horton Horton Iron & Metal Co., Inc. P. O. Box 1285 Wilmington, North Carolina 28401

Dear Mr. Horton:

Re: Auto Policy #77634398

We have marked our files to non-renew the above Automobile Fleet Liability Policy which expires October 18, 1975, per a written notification from Mr. C. E. Couns of American Mutual Insurance Companies.

If we are to cancel this coverage on any other date, it will be necessary for you to return the original of the policy to our office and advise us of the exact date of replacement of the coverage.

Assuring you of our appreciation for your good business.

Yours very truly,

WOODBURY & CO.

(Mrs.) Frances Fussell

AMERICAN MUTUAL INSURANCE COMPANIES

MILITY INSURANCE COMPANY

AMERICAN MUTUAL INSURANCE

# AMERICAN MUTUAL INSURANCE COMPANIES

AMERICAN MUTUAL LIABILITY INSURANCE COMPANY

AMERICAN MUTUAL INSURANCE COMPANY OF BOSTON

A M LIFE INSURANCE COMPANY

August 29, 1975

P. O. Box 3337 Wilmington, N. C. 28401

N. C. Maulament Gel

Mr. Don Brown N. C. Equipment Company P. O. Box 1534 Wilmington, N. C. 28401

Wilmington, N. C. 28401

Re: N. C. Equipment Co.
Vs: Horton Iron & Metal Co.
Acc: 3/11/75
1 573 409251

Dear Mr. Brown:

Subsquent to my visit with you, we have reviewed our coverage on Horton Iron & Metal Company and find that we do not have their auto fleet coverage. This coverage is through Woodbury Agency, P.O. Drawer 270, Wilmington, N.C.

I have already made a report to Mrs. Donna Maready of that firm and at this time submitting the repair invoice in the amount of \$532.14. You have confirmed that the release I left with you has already been executed by an official of North Carolina Equipment Company, and since this is the Common Law Release, it will suffice for the fleet carrier and should not have to be altered.

Mrs. Maready will be in touch with you and we are happy to have been of service to you.

Sincerely yours,

A. J. Smith Claims Manager

CC: Horton Iron & Metal Co. P. O. Box 1285 Wilmington, N. C. 28401

CC: Ms. Donna Maready
Woodbury Insurance Agency
P. O. Drawer 270
Wilmington, N. C. 28401

DATE CC: Charlotte Claims

4564 4-71E REVERSE SIDE FOR DIAGRAM AND ANY OTHER INFORMATION OF IMPORTANCE IN REPORTING THE ACCIDEN



# CHEROKEE INSURANCE COMPANY

4108 Hillsboro Road



Nashville, Tennessee

Insured's Name and Mailing Address

. HORTON IRON AND METAL CORPORATION

P. O. Box 1285

Wilmington, North Carolina 28401

WILLETTS INSURANCE AGENCY

Corner Second & Market Streets

Dial RO 3-8243

WILMINGTON, NORTH CAROLINA

April 5, 1970 - April 5, 1973

Three

Inception (Mo. Day Yr.) Expiration (Mo. Day Yr.) 

Years

It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once. INSURANCE IS PROVIDED AGAINST ONLY THOSE PERILS AND FOR ONLY THOSE COVERAGES INDICATED BELOW BY A PREMIUM CHARGE AND AGAINST OTHER PERILS AND FOR OTHER COVERAGES ONLY WHEN ENDORSED THEREON OR ADDED THERETO.

	AMOUNT			RATE		PREPAID TERM PREMIUM DUE AT INCEPTION		ANNUAL PAYMENT DUE UNDER DEF. PREM. PAY. PLAN	PERIL(S) Insured Against and Cover- age(s) Provided (Insert Name of Each)
	8,000.00 *****	\$ \$	.33		\$ \$		\$ \$	46.08 26.40	FIRE AND LIGHTNING EXTENDED COVERAGE
FOR	\$ 216.00 POLICY TERM UND	on the second	PREMIUM P. P. P.	TOTAL(S)	\$		\$	72.00	
Item No.	Amount Fire or Fire and Extended Cov- erage, or Other Peril	Co-Ins	ent of urance icable	contain	Sh	ow construction, t	yp	e of roof and occupa	PROPERTY COVERED ncy of building(s) covered or dwelling state number of families.

\$ 8,000.00 nil

0 CA

CH

WILLETTS INS. AGENCY

VILMINGTON, N. C.

On the one story, frame with approved roof dwelling, occupied as clerical office, located: on Naco Fertilizer property across river approximately 1 mile from Wilmington on E/S of U. S. Hwy. #421 bounded by \$421 and Cape Fear River, New Hanover County, North

Subject to Form No(s).

420-8(9-69),

Carolina.

INSERT FORM NUMBER(S) AND EDITION DATE(S)

attached hereto.

Mortgage Clause: Subject to the provisions of the mortgage clause attached hereto, loss, if any, on building items, shall be payable to: Cooperative Savings & Loan Association, Wilmington, North Carolina

INSERT NAME(S) OF MORTGAGEE(S) AND MAILING ADDRESS(ES)

Agent

Countersignature Date

April 5, 1970

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS THEREIN OR ADDED THERETO AND OF the premium above specified, this Company, for the term of years specified above from inception date shown above At Noon (Standard Time) to expiration date shown above At Noon (Standard Time) at location of property involved, to an amount not exceeding the amount(s) above specified, has insured the insured named above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THE POLICY, EXCEPT AS THEREINAFTER PROVIDED, to the property described therein while located or contained as described in the policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in the policy, but not elsewhere.

This memorandum is for information only; it is not a contract of insurance but attests that a policy as numbered herein, and as it stands at the date of this certificate, has been issued by the Company. Said policy is subject to change by endorsement and to assignment and cancellation in accordance with its terms.

This CERTIFIES, that policy numbered as above has been issued.

## GENERAL FORM

(For Use in Writing Fire or Fire With Extended Coverage.) OPTIONAL COINSURANCE CONTRACT

(9-69)

(Coinsurance applies unless the word "None" is shown in the coinsurance column on the first page of this policy.)

Insurance attaches only to those items described on the first page of this policy for which an amount is shown in the space provided therefor and for not exceeding said amount.

A. Building Coverage-When this policy covers a BUILDING occupied as described on the first page of this policy, it shall include, when not otherwise covered and except as otherwise excluded, (1) stationary building service equipment and detachable parts there-of, (2) fixed seats, (3) pipe organs and (4) (up to 1% of the amount applicable to the building) personal property and materials pertaining solely to the service of the building; all while contained in the building and, in the case of item (4), while contained in any building located on the described premises.

B. Machinery, Furniture, Fixtures and Equipment Coverage—When this policy covers MACHINERY, FURNITURE, FIXTURES and EQUIPMENT it shall include supplies, not a part of the merchandise or stock, and all other such items usual or incidental to the Insured's business or occupancy described on the first page of this policy, owned by the Insured (except motor vehicles designed for use on public highways, boats, aircraft and nitrocellulose films), while contained in the described building or while within 100-feet thereof,

either in the open or in vehicles on land in the open, except as otherwise excluded. C. Stock Coverage—When this policy covers STOCK of merchandise it shall include all stock items usual or incidental to the business of the occupancy described on the first page of this policy, owned by the Insured and on the Insured's interest in personal property owned by others to the extent of the value of labor and materials expended thereon by the Insured (except motor vehicles designed for use on public highways, boats and aircraft), while contained in the described building or while located within 100-feet thereof, either in the open or in vehicles on land in the open, except as otherwise excluded.

D. Contents Coverage—When this policy covers CONTENTS it shall include coverage as shown in Paragraphs B and C of this form.

E. Personal Property of Others in the Care, Custody or Control of the Named Insured—Coverage Extension (Applicable only when an 80% or higher Coinsurance Clause applies.) When an item(s) of insurance under this policy covers any kind of personal property owned by the named Insured, this policy shall also provide, at the option of the named Insured and as an additional amount of insurance, up to 2% of the amount of insurance applicable to each such item, but not exceeding \$2,000 under such item, to cover, for the account of the owner(s) thereof (other than the named Insured), personal property, similar to that described in the item, belonging to others while in the care, custody or control of the named Insured and only while on the described premises.

Loss shall be adjusted with the named Insured for the account of the owner(s) of said property, except that the right to adjust such loss with said owner(s) is reserved to this Company and the receipt(s) of the owner(s) in satisfaction thereof shall be in full satisfaction of any claim by the named Insured for which such payment(s) has been made. This extension of coverage shall not inure to the benefit otherwise of the named Insured nor to the benefit of any carrier or other bailee.

The provisions of the Coinsurance Clause made a part of this policy shall not apply to this extension of coverage, and when applying the Coinsurance Clause to such item of insurance covering property owned by the named Insured, the value of personal property of others shall not be considered in the determination of actual cash value.

If the named Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property owned by the named Insured had contained an identical optional extension of coverage and the same election were made under all such policies.

F. Off-Premises Coverage Extension—Provided the 80% or higher Coinsurance Clause applies, the Insurea may apply up to 2% of the amount of insurance applicable to each item of insurance covered under this policy, but not exceeding \$5,000 under each item, to cover the described property owned by the Insured, other than merchandise or stock (raw, in process, or finished), while temporarily removed from the described premises for purposes of cleaning, repairing, reconstruction or restoration.

This extension of coverage shall: (a) not apply to property in transit nor to property on any premises owned, leased, operated or controlled by the Insured; (b) not apply to personal property owned by others than the named Insured; (c) not apply except as excess over the amount due from any other insurance covering the property, whether collectible or not; and (d) in no wise inure directly or indirecty to the benefit of any carrier or other bailee.

If the Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property had contained an identical optional extension of coverage and the same election were made under all such policies.

Debris Removal—This insurance covers expense incurred in the removal of debris of the property covered hereunder, which may be occasioned by loss caused by any of the perils insured against in this policy. The total liability under this policy for both loss to property and debris removal expense shall not exceed the amount of insurance applying under this policy to the property covered. This Company shall not be liable for a greater proportion of such debris removal expense than the amount of insurance under this policy bears to the whole amount of insurance covering the property against the peril causing the loss, whether or not such other insurance covers such expense. If this policy covers on two or more items, the provisions of this clause shall apply to each item separately. Debris removal expense shall not be considered in the determination of actual cash value in the application of any clause forming a part of this policy.

Alterations and Repairs-Permission granted to make alterations, additions and repairs to the building(s), covered hereunder and this policy, in accordance with its conditions, shall include such additions, alterations and repairs, also materials and supplies for same in the building or on open premises adjacent thereto, and (so far as it covers on contents) shall include said contents contained in such new additions. The coverage herein granted does not become effective until the liability of all other insurance covering specifically on such additions, alterations, repairs, materials and supplies has been exhausted, and then only for such amount as may exceed the liability of such specific insurance. This clause does not waive or modify any of the stipuations of the Fire Protection Clause; however, should any of the property covered by this policy be protected by an automatic sprinkler system, no and this policy, in accordance with its conditions, shall include by this policy be protected by an automatic sprinkler system, no reconstruction or enlargement of that property is permitted unless notice of change and proper charge, if any, for same is endorsed hereon; endorsement shall clearly specify changes contemplated and shall be limited to sixty days from a specified date.

Coinsurance—It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the Insured shall at all times maintain insurance on each item of property covered by this Policy, of not less than eighty per cent (80%) (OR SUCH HIGHER PERCENTAGE AS MAY BE SPECIFIED ON THE FIRST PAGE OF THIS POLICY) of the actual cash value thereof and that, failing so to do, the Insured shall be an insurer to the extent of such deficit and in that event shall bear his, her or their proportion of any loss.

In the event that the aggregate claim for any loss is less than \$10,000.00 and also less than  $5\,\%$  of the total amount of insurance upon the property described herein at the time such loss occurs, the Insured shall not be required to furnish any inventory of the undamaged property to establish the actual cash value referred to in the Coinsurance Clause. Nothing herein shall be construed to waive the application of the Coinsurance Clause. If the insurance under this policy be divided into two or more items, the foregoing shall apply to each item separately.

The Coinsurance Clause applies unless the word "None" is shown in the Coinsurance Column on the first page of this policy.

Power Failure—Loss Exclusion Clause—This Company shall not be liable for loss caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on premises where the property covered is located, caused by the peril(s) insured against.

This Company shall not be liable for any loss specifically excluded under (a) the riot provisions of the Extended Coverage Endorsement, or (b) the Vandalism and Malicious Mischief Endorse-

Foundation Exclusion-It is stipulated that brick, stone or concrete foundations, piers or other supports, which are below the under surface of the lowest floor of basement (or basements), or where there is no basement, which are below the surface of the ground for the within described buildings and machinery, and also cost of all excavations of whatever nature, are not included in this insurance, and in no event will be taken as a part of the valuation of the buildings for the purpose of arriving at the Insured's contributory proportion in the application of the Coinsurance Clause.

The foundations and east of excavations above described being exempted from the application of the Coinsurance Clause of this policy, and not being covered by this insurance, it is

expressly stipulated that in the event of loss, if the insurance company should elect to rebuild, and it should be found necessary on account of statutory or other cause to replace said foundations or restore said excavations, in whole or in part, the cost of doing so shall be at the expense of the Insured.

The above Foundation Exclusion Clause is applicable only when the policy is written subject to the conditions of the Co-insurance Clause.

Electrical Apparatus Clause—This Company shall not be liable for any loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire ensues and, if fire does ensue, this Company shall be liable only for its proportion of loss caused by such ensuing fire.

**Deferred Premium Payment**—If the Insured elects to pay the premium in equal annual payments, as indicated on the first page of this policy, the premium for this policy is hereby made so payable, provided no payment shall be less than the minimum premium applicable.

If the Insured is in default of any such premium payment and this Company elects to cancel this policy, notice of cancellation shall be in accordance with the provisions of this policy, but in such case any portions of the premium previously paid shall be earned by this Company.

Fire Protection-In consideration of the rate at which this policy is written, it is a condition of this policy that the Insured shall: (1) Exercise due diligence in maintaining in complete working order all equipment and services (so far as they are within the control of the Insured) installed for the detection, prevention, and extinguishment of fire at or in the property covered by this policy; (2) give immediate notice of any impairment in or suspension of such protective services (within the knowledge of the Insured) to this Company or the Rating Bureau having jurisdiction; and, (3) make no change in any sprinkler system, its water or chemical supplies, or any watchman service unless immediate notification is given to this Company or the Rating Bureau having jurisdiction.

Failure to comply with the above provisions shall suspend this insurance as respects the location where the breach occurs for the duration of the breach.

Abstract Records—This policy limits coverage:

(a) on books of account, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing), to not exceeding the cost of blank books, cards or other blank material plus the cost of labor incurred by the Insured for transcribing or copying such records;

(b) on film, tope, disc, drum, cell and other magnetic recording or storage media for electronic data processing, the cost of such media in unexposed or blank form.

School-If this policy covers on buildings (or their contents) used exclusively for school purposes, the sixty (60) day period of vacancy or unoccupancy provided in the conditions of the policy to which this form is attached, is hereby extended to cover unoccupancy during the usual vacation periods.

Work and Materials—Permission granted for such use of the premises as is usual and incidental to the occupancy as herein described.

Waiver of Subrogation—It is understood and agreed that this insurance shall not be invalidated should the Insured waive in writing prior to loss any or all rights of recovery against any party for loss or damage occurring to the property described herein or affected thereby.

Warranties in Permit-This policy shall not be voided by failure of the Insured to comply with any of the warranties or conditions endorsed hereon, in any portion of the premises over which the Insured has no control.

Breach of Warranty-If this policy covers two or more buildings or the contents of two or more buildings, the breach of any condition or warranty of the policy in any one or more of the buildings insured or containing the property insured shall not prejudice the right to recover for loss occurring in any building insured or containing the property insured, where at the time of loss a breach of condition or warranty does not exist.

Loss Clause—Any loss hereunder shall not reduce the amount of this policy.

THE PROVISIONS PRINTED ON THE REVERSE SIDE OF THIS FORM ARE HEREBY REFERRED TO AND MADE A PART HEREOF.

Operation of Building Laws—This Company shall not be liable for loss occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s), unless such liability is otherwise specifically assumed by endorsement hereon.

**Liberalization**—If during the period that insurance is in force under this policy, or within 45 days prior to the inception date thereof, on behalf of this Company there be adopted, or filed with and approved or accepted by the insurance supervisory authorities, all in conformity with law, any changes in the form attached to this policy by which this form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such endorsement or substitution of form had been made.

Nuclear Clause—The word "fire" in this policy or endorsements attached hereto is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this policy or said endorsements, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this policy or said endorsements; however, subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

Mortgage Clause (This entire clause is void unless name of mortgagee or trustee is inserted on the first page of this policy in space provided under this caption)—Loss, if any, on building items under this policy, shall be payable to the mortgagee (or trustee) as provided herein, as interest may appear, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner

of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; Provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided also, That the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard, which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon, and the mortgagee (or trustee) shall, on demand pay the premium for such increased hazard for the term of the use thereof; otherwise, this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but, in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten days after notice to the mortgagee (or trustee) of such cancellation, and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owners, no liability therefor existed, this Company, shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payments shall be made, under all securities held as collateral to the mortgage debt, or may at its option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of his, her or their claim.

The above Mortgage Clause DOES NOT apply to personal property.

## EXTENDED COVERAGE

## Applies only in consideration of Additional Premium shown on the first page of this policy.

In consideration of the premium for this coverage, and subject to the provisions herein and in the policy to which this Extended Coverage is attached including endorsements thereon, THIS POLICY IS EXTENDED TO INSURE AGAINST DIRECT LOSS BY WIND-STORM, HAIL, EXPLOSION, RIOT, RIOT ATTENDING A STRIKE, CIVIL COMMOTION, AIRCRAFT, VEHICLES, AND SMOKE, EXCEPT AS HEREINAFTER PROVIDED.

Deductible: The sum of \$50 shall be deducted from the amount of loss resulting from each windstorm or hailstorm. This deductible shall apply separately to each building or structure and separately to all personal property in the open. This deductible does not apply (1) to contents in any building, (2) to radio or television antennas including their lead-in wiring, masts or towers or (3) to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value or Leasehold Interest.

In the counties of Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington, the amount of deductible from windstorm or hailstorm losses shall be \$100 in lieu of \$50.

Provisions Applicable Only to Windstorm and Hail: This Company shall not be liable for loss caused directly or indirectly by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

This Company shall not be liable for loss to the interior of the building(s) or the property covered therein caused: (a) by rain, snow, sand or dust, whether driven by wind or not, unless the building(s) covered or containing the property covered shall first sustain an actual damage to roof or walls by the direct action of wind or hail and then shall be liable for loss to the interior of the building(s) or the property covered therein as may be caused by rain, snow, sand or dust entering the building(s) through openings in the roof or walls made by direct action of wind or hail; or (b) by water from sprinkler equipment or from other piping, unless such equipment or piping be damaged as a direct result of wind or hail.

Unless liability therefor is assumed on the first page of this policy by separate and specific item(s), or by endorsement hereon, this Company shall not be liable for damage to the following property: (a) windmills, windpumps or their towers; (b) crop silos or their contents; (c) metal smokestacks; or, when outside of buildings, (1) grain, hay, straw or other crops; (2) lawns, trees, shrubs or plants; (3) cloth awnings; or (4) signs or radio or television antennas, including their lead-in wiring, masts or towers.

**Provisions Applicable Only to Explosion:** Loss by explosion shall include direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom.

This Company shall not be liable for loss by explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned by, leased by or operated under the control of the !nsured.

The following are not explosions within the intent or meaning of these provisions: (a) shock waves caused by aircraft, generally known as "sonic boom"; (b) electric arcing; (c) rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown; (d) water hammer; (e) rupture or bursting of water pipes; (f) rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water; (g) rupture, bursting or operation of pressure relief devices.

Any other explosion clause made a part of this policy is superseded by this Extended Coverage.

Provisions Applicable Only to Riot, Riot Attending a Strike and Civil Commotion: Loss by riot, riot attending a strike or civil commotion shall include direct loss by acts of striking employees of the owner or tenant(s) of the described building(s) while occupied by said striking employees and shall also include direct loss from pillage and looting occurring during and at the immediate place of a riot, riot attending a strike or civil commotion. Unless specifically endorsed hereon, this Company shall not be liable for loss resulting from damage to or destruction of the described property due to change in temperature or humidity or interruption of operations whether or not such loss is covered by this policy as to other perils.

Provisions Applicable Only to Loss by Aircraft and Vehicles: The term "vehicles," as used in this Extended Coverage, means vehicles running on land or tracks but not aircraft. The term "aircraft," as used in this endorsement, shall include self-propelled missiles and spacecraft. Loss by aircraft or by vehicles shall include only direct loss resulting from actual physical contact of an aircraft or a vehicle with the property covered hereunder or with the building(s) containing the property covered hereunder, except that loss by aircraft includes direct loss by objects falling therefrom. This Company shall not be liable for loss: (a) by any vehicle owned or operated by an Insured or by any tenant of the described premises; (b) by any vehicle to fences, driveways, walks, or when outside of buildings, to lawns, trees, shrubs or plants; (c) to any aircraft or vehicle including contents thereof other than stocks of aircraft or vehicles in process of manufacture or for sale.

Provisions Applicable Only to Smoke: The term "smoke" as used in this Extended Coverage means only smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or vent pipe, and while in or on the described premises but not smoke from fireplaces or industrial apparatus.

Nuclear Exclusion: Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this Extended Coverage, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles or smoke; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke."

War Risk Exclusion: This Company shall not be liable for loss caused directly or indirectly by (a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (2) by military, naval or air forces; or (3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such government, power, authority or forces; (b) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Water Exclusion: This Company shall not be liable for loss caused by, resulting from, contributed to or aggravated by any of the following: (a) flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not; (b) water which backs up through sewers or drains; (c) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors; unless loss by explosion as insured against hereunder ensues, and then this Company shall be liable for only such ensuing loss.

**Other Provisions:** A claim for loss by any peril insured against by this Extended Coverage shall not be barred because of change of occupancy, nor because of vacancy or unoccupancy.

This Extended Coverage does not increase the amount(s) of insurance provided in this policy.

If this policy covers on two or more items, the provisions of this Extended Coverage shall apply to each item separately.

Apportionment: This Company shall not be liable for a greater proportion of any loss less the amount of deductible, if any, from any peril or perils included in this Extended Coverage than (1) the amount of insurance under this policy bears to the whole amount of fire insurance covering the property, or which would have covered the property except for the existence of this insurance, whether collectible or not, and whether or not such other fire insurance covers against the additional peril or perils insured hereunder, nor (2) for a greater proportion of any loss less the amount of deductible, if any, than the amount hereby insured bears to all insurance whether collectible or not, covering in any manner such loss, or which would have covered such loss except for the existence of this insurance; except if any type of insurance other than fire extended to cover additional perils or windstorm insurance applies to any loss to which this insurance also applies, or would have applied to any such loss except for the existence of this insurance, the limits of liability of each type of insurance for such loss, hereby designated as "joint loss," shall first be determined as if it were the only insurance, and this type of insurance shall be liable for no greater proportion of joint loss than the limit of its liability for such loss bears to the sum of all such limits. The liability of this Company (under this Extended Coverage) for such joint loss shall be limited to its proportionate part of the aggregate limit of this and all other insurance of the same type. The words "joint loss," as used in the foregoing, mean that portion of the loss in excess of the highest deductible, if any, to which this Extended Coverage and other types of insurance above referred to both apply.

Provisions Applicable Only When This Extended Coverage is Attached to a Policy Covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value, Leasehold Interest or Other Consequential Loss: The term "direct," as applied to loss, means loss, as limited and conditioned in such policy, resulting from direct loss to described property from the peril(s) insured against; and while the business of the owner or tenant(s) of the described building(s) is interrupted by a strike at the described location, this Company shall not be liable for any loss due to interference by any person(s) with rebuilding, repairing or replacing the property damaged or destroyed or with the resumption or continuation of business.

CAUTION—WHEN THIS EXTENDED COVERAGE IS PURCHASED WITH ONE POLICY, THE INSURED SHOULD SECURE LIKE COVERAGE ON ALL FIRE POLICIES COVERING THE SAME PROPERTY.

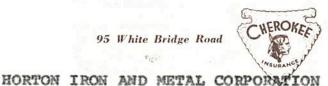
(420-8-9-69)

NO. 31 44 03 RENEWAL OF NUMBER

# Insurance

STOCK COMPANY (Participating Plan)

95 White Bridge Road



Nashville, Tennessee

nsured's . Name

Policy

and

Mailing Address

Inception (Mo. Day Yr.)

P. O. Box 1285

Wilmington, North Carolina

It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once.

INSURANCE IS PROVIDED AGAINST ONLY THOSE PERILS AND FOR ONLY THOSE COVERAGES INDICATED BELOW BY A PREMIUM CHARGE AND AGAINST OTHER PERILS AND FOR OTHER COVERAGES ONLY WHEN ENDORSED HEREON OR ADDED HERETO.

I A course	DESCRIPTION AND	- 1	Pro-	Dwelling Business Only						
No.	Show address (No., Street, City, County, State, Zig ered or containing property covered. If occupied as cial state exact nature of product (and whether ma	If commer-	tection Class	No. of Families	Feet From Hydrant	Miles From Fire Dept.	Zone			
1.	On the one story, fra occupied as clerical property across river Wilmington on E/S of #421 and Cape Fear Ri North Carolina	office, approxi U. S. Hw	located mately y. #421	Naco Fert one mile f , bound by	ilizer					
Item No.	PERIL(S) !NSURED AGAINST AND COVERAGE(S) PROVIDED (INSERT NAME OF EACH)	Per Cent of Co-Insurance Applicable	Deductible Amount	Amount of Insurance	Rate	P	Premiu	Installment im Due eption	Installn Premium I Each Anni	Due At
No.	AND COVERAGE(S) PROVIDED	Co-Insurance			.576 .331 .009	P	At Inc	ım Due	Premium I Each Anni \$ 46	Due At

Subject to Form No(s).

420-8; 305-5

INSERT FORM NUMBER(S) AND EDITION DATE(S)

attached hereto.

Mortgage Clause: Subject to the provisions of the mortgage clause attached hereto, loss, if any, on building items, shall be payable to: Cooperative Savings & Loan Association, Wilmington, N. C.

INSERT NAME(S) OF MORTGAGEE(S) AND MAILING ADDRESS(ES)

March 22, 1973

Wilmington, N. C.

Countersignature Date

Agency at

Agoo. Woodbury

CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED AND OF the premium above specified, this Company, for the term of years specified above from inception date shown above At Noon (Standard Time) to expiration date shown above. At Noon (Standard Time) at location of property involved, to an amount not exceeding the amount(s) above specified, does insure the insured named above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGAINST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

In accordance with Article VII of the Company's Charter the Board of Directors are authorized to permit its policyholders from time to time to participate in the profits of its operations through the payment of dividends to policyholders.

> This memorandum is for information only; it is not a contract of insurance but attests that a policy as numbered herein, and as it stands at the date of this certificate, has been issued by the Company. Said policy is subject to change by endorsement and to assignment and cancellation in accordance with its terms.

OTML20-X-A(PART) =

Concealment, This entire policy shall be void if, whether before or after a loss, the insured has wilfully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto. This policy shall not cover accounts, bills, currency, deeds, evidences of debt, money or Uninsurable and excepted property. securities; nor, unless specifically named hereon in writing, bullion or manuscripts.

Perils not included.

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This Company shall not be liable for loss by fire or other perils insured against in this policy caused, directly or indirectly, by: (a) enemy attack by armed forces, including action taken by military, naval or air forces in resisting an actual or an immediately

impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft.

Other Insurance. Other insurance may be prohibited or the amount of insurance may be limited by endorsement attached hereto.

Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring

(a) while the hazard is increased by any means within the con-

trol or knowledge of the insured; or

(b) while a described building, whether intended for occupancy 33 34 by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or

(c) as a result of explosion or riot, unless fire ensue, and in 37 that event for loss by fire only.

Other perils Any other peril to be insured against or subor subjects. ject of insurance to be covered in this policy shall be by endorsement in writing hereon or

added hereto. Added provisions.

The extent of the application of insurance under this policy and of the contribution to be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

Waiver provisions.

exist, or waiver of any provision be valid, unless granted herein or expressed in writing added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part of this Company relating to appraisal or to any examination

No permission affecting this insurance shall

provided for herein. Cancellation

This policy shall be cancelled at any time at the request of the insured, in which case of policy. this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a five days' written notice of cancellation with

62 or without tender of the excess of paid premium above the pro 63 rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall 65 66 state that said excess premium (if not tendered) will be re-

funded on demand.

68 Mortgagee interests and obligations.

If loss hereunder is made payable, in whole or in part, to a designated mortgagee not named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of can-

73 If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified within sixty (60) days thereafter and shall be subject to the provisions hereof relating to appraisal and time of payment and of bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of payment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require an assignment thereof and of the mortgage. Other provisions 84 relating to the interests and obligations of such mortgagee may be added hereto by agreement in writing. 85

This Company shall not be liable for a greater Pro rata liability. 87 proportion of any loss than the amount hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not. The insured shall give immediate written 90 Requirements in case loss occurs.

notice to this Company of any loss, protect the property from further damage, forthwith 93 separate the damaged and undamaged personal property, put it in the best possible order, furnish a complete inventory of the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time is extended in writing by this Company, the insured shall render to this Company a proof of loss, signed and sworn to by the insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encum-102 brances thereon, all other contracts of insurance, whether valid 104 105 or not, covering any of said property, any changes in the title, 106 use, occupation, location, possession or exposures of said property since the issuing of this policy, by whom and for what purpose any building herein described and the several parts thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified 112 plans and specifications of any building, fixtures or machinery destroyed or damaged. The insured, as often as may be reasonably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and 113 submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be 117 reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as 121 may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made. 122

123 Appraisal. In case the insured and this Company shall fail to agree as to the actual cash value or 124 125 the amount of loss, then, on the written demand of either, each 126 shall select a competent and disinterested appraiser and notify 127 the other of the appraiser selected within twenty days of such 128 demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon 130 such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in 132 the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual 133 cash value and loss to each item; and, failing to agree, shall 134 submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall 135 136 determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the ex-137 138 penses of appraisal and umpire shall be paid by the parties 139

equally. 141 Company's 142 options. 143

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It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to repair, rebuild or replace the property destroyed or damaged with other of like kind and quality within a reasonable time, on giving notice of its intention so to do within thirty days after the

147 receipt of the proof of loss herein required. 148 Abandonment. There can be no abandonment to this Com-149

pany of any property. 150 When loss The amount of loss for which this Company

may be liable shall be payable sixty days after proof of loss, as herein provided, is 151 payable. 152 received by this Company and ascertainment of the loss is made 153 either by agreement between the insured and this Company ex-

154 155 pressed in writing or by the filing with this Company of an 156 award as herein provided. 157 Suit. No suit or action on this policy for the recov-

ery of any claim shall be sustainable in any 159 court of law or equity unless all the requirements of this policy shall have been complied with, and unless commenced within 160 twelve months next after inception of the loss. 161

162 Subrogation. This Company may require from the insured 163 an assignment of all right of recovery against 164 any party for loss to the extent that payment therefor is made

165 by this Company. (For Use in Writing Fire or Fire With Extended Coverage.)

OPTIONAL COINSURANCE CONTRACT

(2-72

(Coinsurance applies unless the word "None" is shown in the coinsurance column on the first page of this policy.)

Insurance attaches only to those items described on the first page of this policy for which an amount is shown in the space provided therefor and for not exceeding said amount.

A. Building Coverage—When this policy covers a BUILDING occupied as described on the first page of this policy, it shall include, when not otherwise covered and except as otherwise excluded, (1) stationary building service equipment and detachable parts thereof, (2) fixed seats, (3) pipe organs and (4) (up to 1% of the amount applicable to the building) personal property and materials pertaining solely to the service of the building; all while contained in the building and, in the case of item (4), while contained in any building located on the described premises.

B. Machinery, Furniture, Fixtures and Equipment Coverage—When this policy covers MACHINERY, FURNITURE, FIXTURES and EQUIPMENT it shall include supplies, not a part of the merchandise or stock, and all other such items usual or incidental to the Insured's business or occupancy described on the first page of this policy, owned by the Insured (except motor vehicles designed for use on public highways, boats, aircraft and nitrocellulose films), while contained in the described building or while within 100-feet thereof, either in the open or in vehicles on land in the open, except as otherwise excluded.

C. Stock Coverage—When this policy covers STOCK of merchandise it shall include all stock items usual or incidental to the business of the occupancy described on the first page of this policy, owned by the Insured and on the Insured's interest in personal property owned by others to the extent of the value of labor and materials expended thereon by the Insured (except motor vehicles designed for use on public highways, boats and aircraft), while contained in the described building or while located within 100-feet thereof, either in the open or in vehicles on land in the open, except as otherwise excluded.

D. Contents Coverage—When this policy covers CONTENTS it shall include coverage as shown in Paragraphs B and C of this form.

E. Personal Property of Others in the Care, Custody or Control of the Named Insured—Coverage Extension (Applicable only when an 80% or higher Coinsurance Clause applies.) When an item(s) of insurance under this policy covers any kind of personal property owned by the named Insured, this policy shall also provide, at the option of the named Insured and as an additional amount of insurance, up to 2% of the amount of insurance applicable to each such item, but not exceeding \$2,000 under such item, to cover, for the account of the owner(s) thereof (other than the named Insured), personal property, similar to that described in the item, belonging to others while in the care, custody or control of the named Insured and only while on the described premises.

Loss shall be adjusted with the named Insured for the account of the owner(s) of said property, except that the right to adjust such loss with said owner(s) is reserved to this Company and the receipt(s) of the owner(s) in satisfaction thereof shall be in full satisfaction of any claim by the named Insured for which such payment(s) has been made. This extension of coverage shall not inure to the benefit otherwise of the named Insured nor to the benefit of any carrier or other bailee.

The provisions of the Coinsurance Clause made a part of this policy shall not apply to this extension of coverage, and when applying the Coinsurance Clause to such item of insurance covering property owned by the named Insured, the value of personal property of others shall not be considered in the determination of actual cash value.

If the named Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion

If the named Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property owned by the named Insured had contained an identical optional extension of coverage and the same election were made under all such policies.

F. Off-Premises Coverage Extension—Provided the 80% or higher Coinsurance Clause applies, the Insured may apply up to 2% of the amount of insurance applicable to each item of insurance covered under this policy, but not exceeding \$5,000 under each item, to cover the described property owned by the Insured, other than merchandise or stock (raw, in process, or finished), while temporarily removed from the described premises for purposes of cleaning, repairing, reconstruction or restoration.

This extension of coverage shall: (a) not apply to property in transit nor to property on any premises owned, leased, operated or controlled by the Insured; (b) not apply to personal property owned by others than the named Insured; (c) not apply except as excess over the amount due from any other insurance covering the property, whether collectible or not; and (d) in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

If the Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property had contained an identical optional extension of coverage and the same election were made under all such policies.

### CLAUSE

Debris Removal—This insurance covers expense incurred in the removal of debris of the property covered hereunder, which may be occasioned by loss caused by any of the perils insured against in this policy. The total liability under this policy for both loss to property and debris removal expense shall not exceed the amount of insurance applying under this policy to the property covered. This Company shall not be liable for a greater proportion of such debris removal expense than the amount of insurance under this policy bears to the whole amount of insurance covering the property against the peril causing the loss, whether or not such other insurance covers such expense. If this policy covers on two or more items, the provisions of this clause shall apply to each item separately. Debris removal expense shall not be considered in the determination of actual cash value in the application of any clause forming a part of this policy.

Alterations and Repairs—Permission granted to make alterations, additions and repairs to the building(s), covered hereunder and this policy, in accordance with its conditions, shall include such additions, alterations and repairs, also materials and supplies for same in the building or on open premises adjacent thereto, and (so far as it covers on contents) shall include said contents contained in such new additions. The coverage herein granted does not become effective until the liability of all other insurance covering specifically on such additions, alterations, repairs, materials and supplies has been exhausted, and then only for such amount as may exceed the liability of such specific insurance. This clause does not waive or modify any of the stipuations of the Fire Protection Clause; however, should any of the property covered by this policy be protected by an automatic sprinkler system, no reconstruction or enlargement of that property is permitted unless notice of change and proper charge, if any, for same is endorsed hereon; endorsement shall clearly specify changes contemplated and shall be limited to sixty days from a specified date.

Coinsurance—It is a part of the consideration of this policy, and the basis upon which the rate of premium is fixed, that the Insured shall at all times maintain insurance on each item of property covered by this Policy, of not less than eighty per cent (80%) (OR SUCH HIGHER PERCENTAGE AS MAY BE SPECIFIED ON THE FIRST PAGE OF THIS POLICY) of the actual cash value thereof and that, failing so to do, the Insured shall be an insurer to the extent of such deficit and in that event shall bear his, her or their proportion of any loss.

In the event that the aggregate claim for any loss is less than \$10,000.00 and also less than 5% of the total amount of insurance upon the property described herein at the time such loss occurs, the Insured shall not be required to furnish any inventory of the undamaged property to establish the actual cash value referred to in the Coinsurance Clause. Nothing herein shall be construed to waive the application of the Coinsurance Clause. If the insurance under this policy be divided into two or more items, the foregoing shall apply to each item separately.

The Coinsurance Clause applies unless the word "None" is shown in the Coinsurance Column on the first page of this policy.

Power Failure—Loss Exclusion Clause—This Company shall not be liable for loss caused by or resulting from power, heating or cooling failure, unless such failure results from physical damage to power, heating or cooling equipment situated on premises where the property covered is located, caused by the peril(s) insured against.

This Company shall not be liable for any loss specifically excluded under (a) the riot provisions of the Extended Coverage Endorsement, or (b) the Vandalism and Malicious Mischief Endorsement.

Foundation Exclusion—It is stipulated that brick, stone or concrete foundations, piers or other supports, which are below the under surface of the lowest floor of basement (or basements), or where there is no basement, which are below the surface of the ground for the within described buildings and machinery, and also cost of all excavations of whatever nature, are not included in this insurance, and in no event will be taken as a part of the valuation of the buildings for the purpose of arriving at the Insured's contributory proportion in the application of the Coinsurance Clause.

The foundations and cost of excavations above described being exempted from the application of the Coinsurance Clause of this policy, and not being covered by this insurance, it is expressly stipulated that in the event of loss, if the insurance company should elect to rebuild, and it should be found necessary on account of statutory or other cause to replace said foundations or restore said excavations, in whole or in part, the cost of doing so shall be at the expense of the Insured.

The above Foundation Exclusion Clause is applicable only when the policy is written subject to the conditions of the Coinsurance Clause.

Electrical Apparatus Clause—This Company shall not be liable for any loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire ensues and, if fire does ensue, this Company shall be liable only for its proportion of loss caused by such ensuing fire.

Deferred Premium Payment—If the Insured elects to pay the premium in equal annual payments, as indicated on the first page of this policy, the premium for this policy is hereby made so payable, provided no payment shall be less than the minimum premium applicable.

If the Insured is in default of any such premium payment and this Company elects to cancel this policy, notice of cancellation shall be in accordance with the provisions of this policy, but in such case any portions of the premium previously paid shall be earned by this Company.

Fire Protection—In consideration of the rate at which this policy is written, it is a condition of this policy that the Insured shall: (1) Exercise due diligence in maintaining in complete working order all equipment and services (so far as they are within the control of the Insured) installed for the detection, prevention, and extinguishment of fire at or in the property covered by this policy; (2) give immediate notice of any impairment in or suspension of such protective services (within the knowledge of the Insured) to this Company or the Rating Bureau having jurisdiction; and, (3) make no change in any sprinkler system, its water or chemical supplies, or any watchman service unless immediate notification is given to this Company or the Rating Bureau having jurisdiction.

Failure to comply with the above provisions shall suspend this insurance as respects the location where the breach occurs for the duration of the breach.

Abstract Records—This policy limits coverage:

(a) on books of account, abstracts, drawings, card index systems and other records (except film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing), to not exceeding the cost of blank books, cards or other blank material plus the cost of labor incurred by the Insured for transcribing or copying such records;

(b) on film, tape, disc, drum, cell and other magnetic recording or storage media for electronic data processing, to not exceeding the cost of such media in unexposed or blank form.

School—If this policy covers on buildings (or their contents) used exclusively for school purposes, the sixty (60) day period of vacancy or unoccupancy provided in the conditions of the policy to which this form is attached, is hereby extended to cover unoccupancy during the usual vacation periods.

Work and Materials—Permission granted for such use of the premises as is usual and incidental to the occupancy as herein described.

**Waiver of Subrogation**—This insurance shall not be invalidated should the Insured waive in writing prior to a loss any or all right of recovery against any party for loss occurring to the property described herein.

Warranties in Permit—This policy shall not be voided by failure of the Insured to comply with any of the warranties or conditions endorsed hereon, in any portion of the premises over which the Insured has no control.

Breach of Warranty—If this policy covers two or more buildings or the contents of two or more buildings, the breach of any condition or warranty of the policy in any one or more of the buildings insured or containing the property insured shall not prejudice the right to recover for loss occurring in any building insured or containing the property insured, where at the time of loss a breach of condition or warranty does not exist.

Loss Clause—Any loss hereunder shall not reduce the amount of this policy.

THE PROVISIONS PRINTED ON THE REVERSE SIDE OF THIS FORM ARE HEREBY REFERRED TO AND MADE A PART HEREOF.

Operation of Building Laws—This Company shall not be liable for loss occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s), unless such liability is otherwise specifically assumed by endorsement hereon.

**Liberalization**—If during the period that insurance is in force under this policy, or within 45 days prior to the inception date thereof, on behalf of this Company there be adopted, or filed with and approved or accepted by the insurance supervisory authorities, all in conformity with law, any changes in the form attached to this policy by which this form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such endorsement or substitution of form had been made.

Nuclear Clause—The word "fire" in this policy or endorsements attached hereto is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this policy or said endorsements, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this policy or said endorsements; however, subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

Mortgage Clause (This entire clause is void unless name of mortgagee or trustee is inserted on the first page of this policy in space provided under this caption)—Loss, if any, on building items under this policy, shall be payable to the mortgagee (or trustee) as provided herein, as interest may appear, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner

of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; Provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided also, That the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard, which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon, and the mortgagee (or trustee) shall, on demand pay the premium for such increased hazard for the term of the use thereof; otherwise, this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but, in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten days after notice to the mortgagee (or trustee) of such cancellation, and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owners, no liability therefor existed, this Company, shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payments shall be made, under all securities held as collateral to the mortgage debt, or may at its option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of his, her or their claim.

The above Mortgage Clause DOES NOT apply to personal property.

### EXTENDED COVERAGE

## Applies only in consideration of Additional Premium shown on the first page of this policy.

In consideration of the premium for this coverage, and subject to the provisions herein and in the policy to which this Extended Coverage is attached including endorsements thereon, THIS POLICY IS EXTENDED TO INSURE AGAINST DIRECT LOSS BY WINDSTORM, HAIL, EXPLOSION, RIOT, RIOT ATTENDING A STRIKE, CIVIL COMMOTION, AIRCRAFT, VEHICLES, AND SMOKE, EXCEPT AS HEREINAFTER PROVIDED.

Deductible: The sum of \$50 shall be deducted from the amount of loss resulting from each windstorm or hailstorm. This deductible shall apply separately to each building or structure and separately to all personal property in the open. This deductible does not apply (1) to contents in any building, (2) to radio or television antennas including their lead-in wiring, masts or towers or (3) to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value or Leasehold Interest.

In the counties of Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington, the amount of deductible from windstorm or hailstorm losses shall be \$100 in lieu of \$50.

Provisions Applicable Only to Windstorm and Hail: This Company shall not be liable for loss caused directly or indirectly by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

This Company shall not be liable for loss to the interior of the building(s) or the property covered therein caused: (a) by rain, snow, sand or dust, whether driven by wind or not, unless the building(s) covered or containing the property covered shall first sustain an actual damage to roof or walls by the direct action of wind or hail and then shall be liable for loss to the interior of the building(s) or the property covered therein as may be caused by rain, snow, sand or dust entering the building(s) through openings in the roof or walls made by direct action of wind or hail; or (b) by water from sprinkler equipment or from other piping, unless such equipment or piping be damaged as a direct result of wind or hail.

Unless liability therefor is assumed on the first page of this policy by separate and specific item(s), or by endorsement hereon, this Company shall not be liable for damage to the following property: (a) windmills, windpumps or their towers; (b) crop silos or their contents; (c) metal smokestacks; or, when outside of buildings, (1) grain, hay, straw or other crops; (2) lawns, trees, shrubs or plants; (3) cloth awnings; or (4) signs or radio or television antennas, including their lead-in wiring, masts or towers.

Provisions Applicable Only to Explosion: Loss by explosion shall include direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom.

This Company shall not be liable for loss by explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned by, leased by or operated under the control of the Insured.

The following are not explosions within the intent or meaning of these provisions: (a) shock waves caused by aircraft, generally known as "sonic boom"; (b) electric arcing; (c) rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown; (d) water hammer; (e) rupture or bursting of water pipes; (f) rupture or bursting due to expansion or swelling of the contents of any building or structure, caused by or resulting from water; (g) rupture, bursting or operation of pressure relief devices.

Any other explosion clause made a part of this policy is superseded by this Extended Coverage.

Provisions Applicable Only to Riot, Riot Attending a Strike and Civil Commotion: Loss by riot, riot attending a strike or civil commotion shall include direct loss by acts of striking employees of the owner or tenant(s) of the described building(s) while occupied by said striking employees and shall also include direct loss from pillage and looting occurring during and at the immediate place of a riot, riot attending a strike or civil commotion. Unless specifically endorsed hereon, this Company shall not be liable for loss resulting from damage to or destruction of the described property due to change in temperature or humidity or interruption of operations whether or not such loss is covered by this policy as to other perils.

Provisions Applicable Only to Loss by Aircraft and Vehicles: The term "vehicles," as used in this Extended Coverage, means vehicles running on land or tracks but not aircraft. The term "aircraft," as used in this endorsement, shall include self-propelled missiles and spacecraft. Loss by aircraft or by vehicles shall include only direct loss resulting from actual physical contact of an aircraft or a vehicle with the property covered hereunder or with the building(s) containing the property covered hereunder, except that loss by aircraft includes direct loss by objects falling therefrom. This Company shall not be liable for loss: (a) by any vehicle owned or operated by an Insured or by any tenant of the described premises; (b) by any vehicle to fences, driveways, walks, or when outside of buildings, to lawns, trees, shrubs or plants; (c) to any aircraft or vehicle including contents thereof other than stocks of aircraft or vehicles in process of manufacture or for sale.

Provisions Applicable Only to Smoke: The term "smoke" as used in this Extended Coverage means only smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or vent pipe, and while in or on the described premises but not smoke from fireplaces or industrial apparatus.

Nuclear Exclusion: Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this Extended Coverage, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles or smoke; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke."

War Risk Exclusion: This Company shall not be liable for loss caused directly or indirectly by (a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (2) by military, naval or air forces; or (3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such government, power, authority or forces; (b) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Water Exclusion: This Company shall not be liable for loss caused by, resulting from, contributed to or aggravated by any of the following: (a) flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not; (b) water which backs up through sewers or drains; (c) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors; unless loss by explosion as insured against hereunder ensues, and then this Company shall be liable for only such ensuing loss.

Other Provisions: A claim for loss by any peril insured against by this Extended Coverage shall not be barred because of change of occupancy, nor because of vacancy or unoccupancy.

This Extended Coverage does not increase the amount(s) of insurance provided in this policy.

If this policy covers on two or more items, the provisions of this Extended Coverage shall apply to each item separately.

Apportionment: This Company shall not be liable for a greater proportion of any loss less the amount of deductible, if any, from any peril or perils included in this Extended Coverage than (1) the amount of insurance under this policy bears to the whole amount of fire insurance covering the property, or which would have covered the property except for the existence of this insurance, whether collectible or not, and whether or not such other fire insurance covers against the additional peril or perils insured hereunder, nor (2) for a greater proportion of any loss less the amount of deductible, if any, than the amount hereby insured bears to all insurance whether collectible or not, covering in any manner such loss, or which would have covered such loss except for the existence of this insurance; except if any type of insurance other than fire extended to cover additional perils or windstorm insurance applies to any loss to which this insurance also applies, or would have applied to any such loss except for the existence of this insurance, the limits of liability of each type of insurance for such loss, hereby designated as "joint loss," shall first be determined as if it were the only insurance, and this type of insurance shall be liable for no greater proportion of joint loss than the limit of its liability for such loss bears to the sum of all such limits. The liability of this Company (under this Extended Coverage) for such joint loss shall be limited to its proportionate part of the aggregate limit of this and all other insurance of the same type. The words "joint loss," as used in the foregoing, mean that portion of the loss in excess of the highest deductible, if any, to which this Extended Coverage and other types of insurance above referred to both apply.

Provisions Applicable Only When This Extended Coverage is Attached to a Policy Covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value, Leasehold Interest or Other Consequential Loss: The term "direct," as applied to loss, means loss, as limited and conditioned in such policy, resulting from direct loss to described property from the peril(s) insured against; and while the business of the owner or tenant(s) of the described building(s) is interrupted by a strike at the described location, this Company shall not be liable for any loss due to interference by any person(s) with rebuilding, repairing or replacing the property damaged or destroyed or with the resumption or continuation of business.

CAUTION—WHEN THIS EXTENDED COVERAGE IS PURCHASED WITH ONE POLICY, THE INSURED SHOULD SECURE LIKE COVERAGE ON ALL FIRE POLICIES COVERING THE SAME PROPERTY.



# VANDALISM AND MALICIOUS MISCHIEF ENDORSEMENT FOR OTHER THAN DWELLING PROPERTY — \$500 DEDUCTIBLE

(For Use Only With Extended Coverage Endorsement)

Form No. 305-5 North Carolina (11-70)

In consideration of the premium for this coverage, and subject to the provisions of this policy and the Extended Coverage Endorsement attached thereto, except as modified herein, the coverage under said Extended Coverage Endorsement is extended to include direct loss by Vandalism and Malicious Mischief.

DEDUCTIBLE: With respect only to the peril insured against under this endorsement, the sum of \$500 shall be deducted from the amount which would otherwise be recoverable for each loss separately occurring to the property covered hereunder. This deductible shall apply separately to each building (or structure) including its contents; separately to contents in each building (or structure) if such building (or structure) is not covered hereunder; and separately to all personal property in the open.

This Deductible shall not apply to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rental Value or Leasehold Interest.

PROVISIONS APPLICABLE ONLY TO VANDALISM AND MALICIOUS MISCHIEF: The terms "vandalism" and "malicious mischief" as used in this endorsement mean only willful and malicious damage to or destruction of the property covered hereunder.

1. This Company shall not be liable for loss if the described building(s) had been vacant or unoccupied beyond a period of thirty (30) consecutive days immediately preceding the loss, whether or not such period commenced prior to the inception date of this endorsement; but a building in process of construction shall not be deemed vacant or unoccupied, nor shall the unoccupancy provision of this endorsement be applicable to private dwelling property.

### Definitions:

Vacant: Containing no contents pertaining to operations or activities customary to occupancy of the building.

Unoccupied: Containing contents pertaining to occupancy of the building while operations or other customary activities are suspended.

A suspension of operations or period of inactivity during part of each year which is usual and incidental to the described occupancy of the building shall not be deemed unoccupancy.

- 2. This Company shall not be liable for loss -
  - (a) to glass (other than glass building blocks) constituting part of a building, structure or an outside sign;
  - (b) by pilferage, theft, burglary or larceny, except that this Company shall be liable for willful damage to the building(s) covered hereunder caused by burglars;
  - (c) by explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned by, leased by or operated under the control of the Insured; or by rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
  - (d) from depreciation, delay, deterioration or loss of market, nor, unless specifically endorsed hereon, for any loss resulting from change in temperature or humidity.

**NUCLEAR EXCLUSION:** Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this endorsement, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by vandalism and malicious mischief.

CAUTION: WHEN THIS ENDORSEMENT IS ATTACHED TO ONE FIRE POLICY, THE INSURED SHOULD SECURE LIKE COVERAGE ON ALL FIRE POLICIES COVERING THE SAME PROPERTY.

NOTE TO AGENTS: This endorsement shall NOT be used for covering dwelling buildings including farm dwellings, or household and personal property in dwellings or in residential sections of buildings other than dwellings.

48 53 10 RENEWAL OF NUMBER

# Insurance Company

95 White Bridge Road

HEROKEE )

Nashville, Tennessee

Insured's . HORTON IRON AND METAL CORPORATION

· P. O. Box 1285

· Wilmington, North Carolina 28401

Policy Term:

Mailing

Address

Inception (Mo. Day Yr.)

Expiration (Mo. Day Yr.)

WOODBURY & CO.

DIAL 919/763-3431 **500 WACHOVIA BUILDING** WILMINGTON, N. C. 28401

It is important that the written portions of all policies covering the same property read exactly alike. If they do not, they should be made uniform at once. INSURANCE IS PROVIDED AGAINST ONLY THOSE PERILS AND FOR ONLY THOSE COVERAGES INDICATED BELOW BY A PREMIUM CHARGE AND AGAINST OTHER PERILS AND FOR OTHER COVERAGES ONLY WHEN ENDORSED HEREON OR ADDED HERETO.

	DESCRIPTION AND LOCATION OF PROPERTY COVERED		Dwelling Business Only					
No.	Show address (No., Street, City, County, State, Zip Code), construction, type of roof and occupancy of building(s) covered or containing property covered. If occupied as a dwelling state if building is a seasonal or farm dwelling. If commercial state exact nature of product (and whether manufacturer, wholesaler or retailer) or the service or activity involved.	Pro- tection Class	No. of Families	Feet From Hydrant	Miles From Fire Dept.	Zone		
1.	On the one story, frame with approved roof dwelling occupied as clerical office, located Naco Fertilizer property across river approximately one mile from Wilmington on E/S of U.S. Hwy. #421, bound by #421 and Cape Fear River, New Hanover County.  RC 697-97A							

Total Insurance—( See form attached South Carolina only See form attached )—Item 1, \$ 8,000. ; Item 2, \$ ; Item 3, \$ ; Item 4, \$ Valuation Clause—( See form attached )—Item , \$ ; Item , \$ ; Item , \$ ; Item . \$

STOCK COMPANY

item No.	PERIL(S) INSURED AGAINST AND COVERAGE(S) PROVIDED (INSERT NAME OF EACH)	Per Cent of Co-Insurance Applicable	Deductible Amount	Amount of Insurance	Rate	Prepaid or Installment Premium Due At Inception	Installment Premium Due At Each Anniversar
2000	FIRE AND LIGHTNING EXTENDED COVERAGE V&MM	None		\$ 8,000.	.576 .331. .009	\$	\$ 46.00 26.00 1.00
		1 A. s.	STATE OF THE STATE		TOTAL(S)	\$	\$ 73.00

TOTAL PREMIUM FOR POLICY TERM PAID IN INSTALLMENTS \$

Subject to Form No(s). 420-9; 305-5

INSERT FORM NUMBER(S) AND EDITION DATE(S)

attached hereto.

Mortgage Clause: Subject to the provisions of the mortgage clause attached hereto, loss, if any, on building items, shall be payable to:

INSERT NAME(S) OF MORTGAGEE(S) AND MAILING ADDRESS(ES)

WOODBURY & CO.

March 31, 1976
Countersignature Date

Wilmington, N.C.

IN CONSIDERATION OF THE PROVISIONS AND STIPULATIONS HEREIN OR ADDED HERETO AND OF the premium above specified, this Company, for the term of years specified above from inception date shown above At Noon (Standard Time) to expiration date shown above. At Noon (Standard Time) at location of property involved, to an amount not exceeding the amount(s) above specified, does insure the insured named above and legal representatives, to the extent of the actual cash value of the property at the time of loss, but not exceeding the amount which it would cost to repair or replace the property with material of like kind and quality within a reasonable time after such loss, without allowance for any increased cost of repair or reconstruction by reason of any ordinance or law regulating construction or repair, and without compensation for loss resulting from interruption of business or manufacture, nor in any event for more than the interest of the insured, against all DIRECT LOSS BY FIRE, LIGHTNING AND BY REMOVAL FROM PREMISES ENDANGERED BY THE PERILS INSURED AGA: NST IN THIS POLICY, EXCEPT AS HEREINAFTER PROVIDED, to the property described herein while located or contained as described in this policy, or pro rata for five days at each proper place to which any of the property shall necessarily be removed for preservation from the perils insured against in this policy, but not elsewhere.

Assignment of this policy shall not be valid except with the written consent of this Company.

This policy is made and accepted subject to the foregoing provisions and stipulations and those hereinafter stated, which are hereby made a part of this policy, together with such other provisions, stipulations and agreements as may be added hereto, as provided in this policy.

OTP20(0)-X-A

This entire policy shall be void if, whether Concealment, before or after a loss, the insured has wil-2 fraud. fully concealed or misrepresented any material fact or circumstance concerning this insurance or the subject thereof, or the interest of the insured therein, or in case of any fraud or false swearing by the insured relating thereto. This policy shall not cover accounts, bills, Uninsurable currency, deeds, evidences of debt, money or 8 and securities; nor, unless specifically named excepted property. hereon in writing, bullion or manuscripts.
This Company shall not be liable for loss by 10 Perils not fire or other perils insured against in this 12 included. policy caused, directly or indirectly, by: (a) 13 enemy attack by armed forces, including action taken by mili-14 15 tary, naval or air forces in resisting an actual or an immediately impending enemy attack; (b) invasion; (c) insurrection; (d) rebellion; (e) revolution; (f) civil war; (g) usurped power; (h) order of any civil authority except acts of destruction at the time of and for the purpose of preventing the spread of fire, provided 20 that such fire did not originate from any of the perils excluded by this policy; (i) neglect of the insured to use all reasonable 22 means to save and preserve the property at and after a loss, or when the property is endangered by fire in neighboring premises; (j) nor shall this Company be liable for loss by theft. 23 24 Other insurance may be prohibited or the 25 Other Insurance. amount of insurance may be limited by endorsement attached hereto. Conditions suspending or restricting insurance. Unless otherwise provided in writing added hereto this Company shall not be liable for loss occurring (a) while the hazard is increased by any means within the control or knowledge of the insured; or 33

(b) while a described building, whether intended for occupancy

by owner or tenant, is vacant or unoccupied beyond a period of sixty consecutive days; or 35

(c) as a result of explosion or riot, unless fire ensue, and in 37 that event for loss by fire only.

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Any other peril to be insured against or sub-38 Other perils ject of insurance to be covered in this policy or subjects. shall be by endorsement in writing hereon or

added hereto. Added provisions. The extent of the application of insurance under this policy and of the contribution to

be made by this Company in case of loss, and any other provision or agreement not inconsistent with the provisions of this policy, may be provided for in writing added hereto, but no provision may be waived except such as by the terms of this policy is subject to change.

No permission affecting this insurance shall Waiver exist, or waiver of any provision be valid, provisions. unless granted herein or expressed in writing

added hereto. No provision, stipulation or forfeiture shall be held to be waived by any requirement or proceeding on the part 53 of this Company relating to appraisal or to any examination provided for herein.

Cancellation This policy shall be cancelled at any time at the request of the insured, in which case of policy. this Company shall, upon demand and sur-

render of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled at any time by this Company by giving to the insured a five days' written notice of cancellation with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand. Notice of cancellation shall state that said excess premium (if not tendered) will be refunded on demand.

If loss hereunder is made payable, in whole 68 Mortgagee interests and or in part, to a designated mortgagee not 70 obligations. named herein as the insured, such interest in this policy may be cancelled by giving to such mortgagee a ten days' written notice of can-

If the insured fails to render proof of loss such mortgagee, upon notice, shall render proof of loss in the form herein specified 76 within sixty (60) days thereafter and shall be subject to the pro-77 visions hereof relating to appraisal and time of payment and of 78 bringing suit. If this Company shall claim that no liability existed as to the mortgagor or owner, it shall, to the extent of pay-80 ment of loss to the mortgagee, be subrogated to all the mortgagee's rights of recovery, but without impairing mortgagee's right to sue; or it may pay off the mortgage debt and require 83 an assignment thereof and of the mortgage. Other provisions 84 relating to the interests and obligations of such mortgagee may 85 be added hereto by agreement in writing.

This Company shall not be liable for a greater 86 Pro rata liability. proportion of any loss than the amount 88 hereby insured shall bear to the whole insurance covering the property against the peril involved, whether collectible or not. 89 The insured shall give immediate written 90 Requirements in notice to this Company of any loss, protect case loss occurs. the property from further damage, forthwith 92

93 separate the damaged and undamaged personal property, put 94 it in the best possible order, furnish a complete inventory of 95 the destroyed, damaged and undamaged property, showing in detail quantities, costs, actual cash value and amount of loss claimed; and within sixty days after the loss, unless such time 98 is extended in writing by this Company, the insured shall render 99 to this Company a proof of loss, signed and sworn to by the 100 insured, stating the knowledge and belief of the insured as to the following: the time and origin of the loss, the interest of the 101 insured and of all others in the property, the actual cash value of each item thereof and the amount of loss thereto, all encum-103 brances thereon, all other contracts of insurance, whether valid or not, covering any of said property, any changes in the title, 106 use, occupation, location, possession or exposures of said prop-107 erty since the issuing of this policy, by whom and for what purpose any building herein described and the several parts 108 thereof were occupied at the time of loss and whether or not it then stood on leased ground, and shall furnish a copy of all the descriptions and schedules in all policies and, if required, verified plans and specifications of any building, fixtures or machinery 112 destroyed or damaged. The insured, as often as may be reason-113 ably required, shall exhibit to any person designated by this Company all that remains of any property herein described, and 115 submit to examinations under oath by any person named by this Company, and subscribe the same; and, as often as may be reasonably required, shall produce for examination all books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as 121 may be designated by this Company or its representative, and shall permit extracts and copies thereof to be made. 122 In case the insured and this Company shall 123

Appraisal. fail to agree as to the actual cash value or the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraiser selected within twenty days of such demand. The appraisers shall first select a competent and disinterested umpire; and failing for fifteen days to agree upon such umpire, then, on request of the insured or this Company, such umpire shall be selected by a judge of a court of record in the state in which the property covered is located. The appraisers shall then appraise the loss, stating separately actual 132 cash value and loss to each item; and, failing to agree, shall submit their differences, only, to the umpire. An award in writing, so itemized, of any two when filed with this Company shall determine the amount of actual cash value and loss. Each appraiser shall be paid by the party selecting him and the expenses of appraisal and umpire shall be paid by the parties equally.

140 141 Company's It shall be optional with this Company to take all, or any part, of the property at the agreed or appraised value, and also to re-142 options. 143 pair, rebuild or replace the property destroyed or damaged with 144

other of like kind and quality within a reasonable time, on giv-145 ing notice of its intention so to do within thirty days after the 146 147 receipt of the proof of loss herein required.

There can be no abandonment to this Com-148 Abandonment. 149 pany of any property.

150 The amount of loss for which this Company When loss may be liable shall be payable sixty days after proof of loss, as herein provided, is 151 payable. 152 received by this Company and ascertainment of the loss is made 153

either by agreement between the insured and this Company ex-154 155 pressed in writing or by the filing with this Company of an 156 award as herein provided.

157 Suit. No suit or action on this policy for the recov-158 ery of any claim shall be sustainable in any court of law or equity unless all the requirements of this policy 159 shall have been complied with, and unless commenced within 160 twelve months next after inception of the loss.

161 162 Subrogation. This Company may require from the insured an assignment of all right of recovery against 163 164

any party for loss to the extent that payment therefor is made 165 by this Company.

In Witness Whereof, this Company has executed and attested these presents; but this policy shall not be valid unless countersigned by the duly authorized Agent of this Company at the agency hereinbefore mentioned.

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Clement J. M. Smil of Secretary

Jeny K. adkisson President

KANSAS: The words "demand and" in line 58 and "on demand" in lines 65 and 67 are deleted. The words "twelve months" in line 161 are changed to "sixty months".

MAINE: The words "five days'" in line 62 are changed to "ten days'." The words "twelve months" in line 161 are changed to "three years".

NORTH CAROLINA: The words "twelve months" in line 161 are changed to "three years".

NORTH DAKOTA: The words "twelve months" in line 161 are changed to "thirty-six months".

VIRGINIA: The words "twelve months" in line 161 are changed to "two years".

WISCONSIN: The words "five days'" in line 62 are changed to "ten days'."

EXCEP-

## MISSOURI EXCEPTION

The "Cancellation of Policy" provision, lines 56 through 67 herein are amended to read:

Cancellation of Policy. This policy shall be cancelled at any time at the request of the insured, in which case this Company shall, upon demand and surrender of this policy, refund the excess of paid premium above the customary short rates for the expired time. This policy may be cancelled, not renewed, reduced in amount or adversely modified at any time by this Company by giving to the insured a thirty days' written notice of cancellation, non-renewal, reduction in amount or adverse modification with or without tender of the excess of paid premium above the pro rata premium for the expired time, which excess, if not tendered, shall be refunded on demand.

# N.C.

## GENERAL FORM

# (For Use in Writing Fire or Fire With Extended Coverage.) OPTIONAL COINSURANCE CONTRACT

(2-75)

(Coinsurance applies unless the word "None" is shown in the coinsurance column on the first page of this policy.)

Insurance attaches only to those items described on the first page of this policy for which an amount is shown in the space provided therefor and for not exceeding said amount.

A. Building Coverage—When this policy covers a BUILDING occupied as described on the first page of this policy, it shall include, when not otherwise covered and except as otherwise excluded, (1) stationary building service equipment and detachable parts thereof, (2) fixed seats, (3) pipe organs and (4) (up to 1% of the amount applicable to the building) personal property and materials pertaining solely to the service of the building; all while contained in the building and, in the case of item (4), while contained in any building located on the described premises.

B. Machinery, Furniture, Fixtures and Equipment Coverage—When this policy covers MACHINERY, FURNITURE, FIXTURES and EQUIPMENT it shall include supplies, not a part of the merchandise or stock, and all other such items usual or incidental to the Insured's business or occupancy described on the first page of this policy, owned by the Insured (except motor vehicles designed for use on public highways, boats, aircraft and nitrocellulose films), while contained in the described building or while within 100-feet thereof, either in the open or in vehicles on land in the open, except as otherwise excluded.

C. Stock Coverage—When this policy covers STOCK of merchandise it shall include all stock items usual or incidental to the business of the occupancy described on the first page of this policy, owned by the Insured and on the Insured's interest in personal property owned by others to the extent of the value of labor and materials expended thereon by the Insured (except motor vehicles designed for use on public highways, boats and aircraft), while contained in the described building or while located within 100-feet thereof, either in the open or in vehicles on land in the open, except as otherwise excluded.

D. Contents Coverage—When this policy covers CONTENTS it shall include coverage as shown in Paragraphs B and C of this form.

E. Personal Property of Others in the Care, Custody or Control of the Named Insured—Coverage Extension (Applicable only when an 80% or higher Coinsurance Clause applies.) When an item(s) of insurance under this policy covers any kind of personal property owned by the named Insured, this policy shall also provide, at the option of the named Insured and as an additional amount of insurance, up to 2% of the amount of insurance applicable to each such item, but not exceeding \$2,000 under such item, to cover, for the account of the owner(s) thereof (other than the named Insured), personal property, similar to that described in the item, belonging to others while in the care, custody or control of the named Insured and only while on the described premises.

Loss shall be adjusted with the named Insured for the account of the owner(s) of said property, except that the right to adjust such loss with said owner(s) is reserved to this Company and the receipt(s) of the owner(s) in satisfaction thereof shall be in full satisfaction of any claim by the named Insured for which such payment(s) has been made. This extension of coverage shall not inure to the benefit

otherwise of the named Insured nor to the benefit of any carrier or other bailee.

The provisions of the Coinsurance Clause made a part of this policy shall not apply to this extension of coverage, and when applying the Coinsurance Clause to such item of insurance covering property owned by the named Insured, the value of personal property of others shall not be considered in the determination of actual cash value.

If the named Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property owned by the named Insured had contained an identical optional extension of coverage and the same election were made under all such policies.

F. Off-Premises Coverage Extension—Provided the 80% or higher Coinsurance Clause applies, the Insured may apply up to 2% of the amount of insurance applicable to each item of insurance covered under this policy, but not exceeding \$5,000 under each item, to cover the described property owned by the Insured, other than merchandise or stock (raw, in process, or finished), while temporarily removed from the described premises for purposes of cleaning, repairing, reconstruction or restoration.

This extension of coverage shall: (a) not apply to property in transit nor to property on any premises owned, leased, operated or controlled by the Insured; (b) not apply to personal property owned by others than the named Insured; (c) not apply except as excess over the amount due from any other insurance covering the property, whether collectible or not; and (d) in no wise inure directly or indirectly to the benefit of any carrier or other bailee.

If the Insured elects to apply this optional extension of coverage, this Company shall not be liable for a greater proportion of any loss than would have been the case if all fire insurance policies covering the described property had contained an identical optional extension of coverage and the same election were made under all such policies.

### CLAUSES

Debris Removal—This insurance covers expense incurred in the removal of debris of the property covered hereunder, which may be occasioned by loss caused by any of the perils insured against in this policy. The total liability under this policy for both loss to property and debris removal expense shall not exceed the amount of insurance applying under this policy to the property covered. This Company shall not be liable for a greater proportion of such debris removal expense than the amount of insurance under this policy bears to the whole amount of insurance covering the property against the peril causing the loss, whether or not such other insurance covers such expense. If this policy covers on two or more items, the provisions of this clause shall apply to each item separately. Debris removal expense shall not be considered in the determination of actual cash value in the application of any clause forming a part of this policy.

Alterations and Repairs—Permission granted to make alterations, additions and repairs to the building(s), covered hereunder and this policy, in accordance with its conditions, shall include such additions, alterations and repairs, also materials and supplies for same in the building or on open premises adjacent thereto, and (so far as it covers on contents) shall include said contents contained in such new additions. The coverage herein granted does not become effective until the liability of all other insurance covering specifically on such additions, alterations, repairs, materials and supplies has been exhausted, and then only for such amount as may exceed the liability of such specific insurance. This clause does not waive or modify any of the stipuations of the Fire Protection Clause; however, should any of the property covered by this policy be protected by an automatic sprinkler system, no reconstruction or enlargement of that property is permitted unless notice of change and proper charge, if any, for same is endorsed hereon; endorsement shall clearly specify changes contemplated and shall be limited to sixty days from a specified date.

expressly stipulated that in the event of loss, if the insurance company should elect to rebuild, and it should be found necessary on account of statutory or other cause to replace said foundations or restore said excavations, in whole or in part, the cost of doing so shall be at the expense of the Insured.

The above Foundation Exclusion Clause is applicable only when the policy is written subject to the conditions of the Coinsurance Clause.

Electrical Apparatus Clause—This Company shall not be liable for any loss resulting from any electrical injury or disturbance to electrical appliances, devices, fixtures or wiring caused by electrical currents artificially generated unless fire ensues and, if fire does ensue, this Company shall be liable only for its proportion of loss caused by such ensuing fire.

**Deferred Premium Payment**—If the Insured elects to pay the premium in equal annual payments, as indicated on the first page of this policy, the premium for this policy is hereby made so payable, provided no payment shall be less than the minimum premium applicable.

If the Insured is in default of any such premium payment and this Company elects to cancel this policy, notice of cancellation shall be in accordance with the provisions of this policy, but in such case any portions of the premium previously paid shall be earned by this Company.

Fire Protection—In consideration of the rate at which this policy is written, it is a condition of this policy that the Insured shall: (1) Exercise due diligence in maintaining in complete working order all equipment and services (so far as they are within the control of the Insured) installed for the detection, prevention, and extinguishment of fire at c. in the property covered by this policy; (2) give immediate notice of any impairment in or suspension of such protective services (within the knowledge of the Insured) to this Company or the Rating Bureau having jurisdiction; and, (3) make no change in any sprinkler system, its water or chemical

Operation of Building Laws—This Company shall not be liable for loss occasioned directly or indirectly by enforcement of any local or state ordinance or law regulating the construction, repair or demolition of building(s) or structure(s), unless such liability is otherwise specifically assumed by endorsement hereon.

Liberalization—If during the period that insurance is in force under this policy, or within 45 days prior to the inception date thereof, on behalf of this Company there be adopted, or filed with and approved or accepted by the insurance supervisory authorities, all in conformity with law, any changes in the form attached to this policy by which this form of insurance could be extended or broadened without increased premium charge by endorsement or substitution of form, then such extended or broadened insurance shall inure to the benefit of the Insured hereunder as though such endorsement or substitution of form had been made.

Nuclear Clause—The word "fire" in this policy or endorsements attached hereto is not intended to and does not embrace nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and loss by nuclear reaction or nuclear radiation or radioactive contamination is not intended to be and is not insured against by this policy or said endorsements, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by "fire" or any other perils insured against by this policy or said endorsements; however, subject to the foregoing and all provisions of this policy, direct loss by "fire" resulting from nuclear reaction or nuclear radiation or radioactive contamination is insured against by this policy.

Mortgage Clause (This entire clause is void unless name of mortgagee or trustee is inserted on the first page of this policy in space provided under this caption)—Loss, if any, on building items under this policy, shall be payable to the mortgagee (or trustee) as provided herein, as interest may appear, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgagor or owner

of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy; Provided, that in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided also, That the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard, which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon, and the mortgagee (or trustee) shall, on demand pay the premium for such increased hazard for the term of the use thereof; otherwise, this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but, in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten days after notice to the mortgagee (or trustee) of such cancellation, and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owners, no liability therefor existed, this Company, shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payments shall be made, under all securities held as collateral to the mortgage debt, or may at its option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of his, her or their claim.

The above Mortgage Clause DOES NOT apply to personal property.

### **EXTENDED COVERAGE**

### Applies only in consideration of Additional Premium shown on the first page of this policy.

In consideration of the premium for this coverage, and subject to the provisions herein and in the policy to which this Extended Coverage is attached including endorsements thereon, THIS POLICY IS EXTENDED TO INSURE AGAINST DIRECT LOSS BY WINDSTORM, HAIL, EXPLOSION, RIOT, RIOT ATTENDING A STRIKE, CIVIL COMMOTION, AIRCRAFT, VEHICLES, AND SMOKE, EXCEPT AS HEREINAFTER PROVIDED.

Deductible: The sum of \$50 shall be deducted from the amount of loss resulting from each windstorm or hailstorm. This deductible shall apply separately to each building or structure and separately to all personal property in the open. This deductible does not apply (1) to contents in any building, (2) to radio or television antennas including their lead-in wiring, masts or towers or (3) to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rent or Rental Value or Leasehold Interest.

In the counties of Beaufort, Brunswick, Camden, Carteret, Chowan, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrrell and Washington, the amount of deductible from windstorm or hailstorm losses shall be \$100 in lieu of \$50.

Provisions Applicable Only to Windstorm and Hail: This Company shall not be liable for loss caused directly or indirectly by frost or cold weather, or ice (other than hail), snow or sleet, whether driven by wind or not.

This Company shall not be liable for loss to the interior of the building(s) or the property covered therein caused: (a) by rain, snow, sand or dust, whether driven by wind or not, unless the building(s) covered or containing the property covered shall first sustain an actual damage to roof or walls by the direct action of wind or hail and then shall be liable for loss to the interior of the building(s) or the property covered therein as may be caused by rain, snow, sand or dust entering the building(s) through openings in the roof or walls made by direct action of wind or hail; or (b) by water from sprinkler equipment or from other piping, unless such equipment or piping be damaged as a direct result of wind or hail.

Unless liability therefor is assumed on the first page of this policy by separate and specific item(s), or by endorsement hereon, this Company shall not be liable for damage to the following property: (a) windmills, windpumps or their towers; (b) crop silos or their contents; (c) metal smokestacks; or, when outside of buildings, (1) grain, hay, straw or other crops; (2) lawns, trees, shrubs or plants; (3) cloth awnings; or (4) signs or radio or television antennas, including their lead-in wiring, masts or towers.

Provisions Applicable Only to Explosion: Loss by explosion shall include direct loss resulting from the explosion of accumulated gases or unconsumed fuel within the firebox (or combustion chamber) of any fired vessel or within the flues or passages which conduct the gases of combustion therefrom.

Provisions Applicable Only to Smoke: The term "smoke" as used in this Extended Coverage means only smoke due to a sudden, unusual and faulty operation of any heating or cooking unit, only when such unit is connected to a chimney by a smoke pipe or vent pipe, and while in or on the described premises but not smoke from fireplaces or industrial apparatus.

Nuclear Exclusion: Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this Extended Coverage, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles or smoke; and nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, is not "explosion" or "smoke."

War Risk Exclusion: This Company shall not be liable for loss caused directly or indirectly by (a) hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack, (1) by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces; or (2) by military, naval or air forces; or (3) by an agent of any such government, power, authority or forces, it being understood that any discharge, explosion or use of any weapon of war employing nuclear fission or fusion shall be conclusively presumed to be such a hostile or warlike action by such government, power, authority or forces; (b) insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence.

Water Exclusion: This Company shall not be liable for loss caused by, resulting from, contributed to or aggravated by any of the following: (a) flood, surface water, waves, tidal water or tidal wave, overflow of streams or other bodies of water, or spray from any of the foregoing, all whether driven by wind or not; (b) water which backs up through sewers or drains; (c) water below the surface of the ground including that which exerts pressure on or flows, seeps or leaks through sidewalks, driveways, foundations, walls, basement or other floors, or through doors, windows or any other openings in such sidewalks, driveways, foundations, walls or floors; unless loss by explosion as insured against hereunder ensues, and then this Company shall be liable for only such ensuing loss.

**Other Provisions:** A claim for loss by any peril insured against by this Extended Coverage shall not be barred because of change of occupancy, nor because of vacancy or unoccupancy.

This Extended Coverage does not increase the amount(s) of insurance provided in this policy.

If this policy covers on two or more items, the provisions of



# VANDALISM AND MALICIOUS MISCHIEF ENDORSEMENT FOR OTHER THAN DWELLING PROPERTY — \$500 DEDUCTIBLE

(For Use Only With Extended Coverage Endorsement)

Form No. 305-5 North Carolina (11-70)

In consideration of the premium for this coverage, and subject to the provisions of this policy and the Extended Coverage Endorsement attached thereto, except as modified herein, the coverage under said Extended Coverage Endorsement is extended to include direct loss by Vandalism and Malicious Mischief.

DEDUCTIBLE: With respect only to the peril insured against under this endorsement, the sum of \$500 shall be deducted from the amount which would otherwise be recoverable for each loss separately occurring to the property covered hereunder. This deductible shall apply separately to each building (or structure) including its contents; separately to contents in each building (or structure) if such building (or structure) is not covered hereunder; and separately to all personal property in the open.

This Deductible shall not apply to insurance covering Business Interruption, Tuition Fees, Extra Expense, Additional Living Expense, Rental Value or Leasehold Interest.

PROVISIONS APPLICABLE ONLY TO VANDALISM AND MALICIOUS MISCHIEF: The terms "vandalism" and "malicious mischief" as used in this endorsement mean only willful and malicious damage to or destruction of the property covered hereunder.

1. This Company shall not be liable for loss if the described building(s) had been vacant or unoccupied beyond a period of thirty (30) consecutive days immediately preceding the loss, whether or not such period commenced prior to the inception date of this endorsement; but a building in process of construction shall not be deemed vacant or unoccupied, nor shall the unoccupancy provision of this endorsement be applicable to private dwelling property.

### Definitions:

Vacant: Containing no contents pertaining to operations or activities customary to occupancy of the building.

Unoccupied: Containing contents pertaining to occupancy of the building while operations or other customary activities are suspended.

A suspension of operations or period of inactivity during part of each year which is usual and incidental to the described occupancy of the building shall not be deemed unoccupancy.

- 2. This Company shall not be liable for loss -
  - (a) to glass (other than glass building blocks) constituting part of a building, structure or an outside sign;
  - (b) by pilferage, theft, burglary or larceny, except that this Company shall be liable for willful damage to the building(s) covered hereunder caused by burglars;
  - (c) by explosion of steam boilers, steam pipes, steam turbines or steam engines, if owned by, leased by or operated under the control of the Insured; or by rupture or bursting of rotating or moving parts of machinery caused by centrifugal force or mechanical breakdown;
  - (d) from depreciation, delay, deterioration or loss of market, nor, unless specifically endorsed hereon, for any loss resulting from change in temperature or humidity.

**NUCLEAR EXCLUSION:** Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, is not insured against by this endorsement, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by vandalism and malicious mischief.

CAUTION: WHEN THIS ENDORSEMENT IS ATTACHED TO ONE FIRE POLICY, THE INSURED SHOULD SECURE LIKE COVERAGE ON ALL FIRE POLICIES COVERING THE SAME PROPERTY.

NOTE TO AGENTS: This endorsement shall NOT be used for covering dwelling buildings including farm dwellings, or household and personal property in dwellings or in residential sections of buildings other than dwellings.



# DEFERRED PREMIUM PAYMENT ADJUSTMENT ENDORSEMENT

Form No. 228-1 North Carolina (5-65)

		Attoched	to and fo	rming par	rt of Policy No.	594.3.	5.8	of th	е		
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† Signatures required when endorsement reduces or restricts policy.

### As provided in Paragraph 2-

Removal Permit—Permission granted during the period of ten (10) days from the date of this permit, to remove the property described on the reverse side to the location indicated.

During such removal this policy shall attach in each of the described locations, and while in transit between the locations (but, while in transit, for not exceeding a distance of 50 miles from the original location) in such proportion as the value of the property insured in each location and while in transit bears to the aggregate value in both locations and while in transit. After the expiration of said ten (10) days (or prior thereto, if the removal shall have been completed), this policy shall attach in the new location only.

### As provided in Paragraph 8-(North Carolina Standard Mortgage Clause)

Mortgage Clause (This entire clause is void unless name at mortgagee is inserted on reverse side in space provided)—Loss, if any on building item(s) subject to this clause as specified on reverse side, shall be payable to the mortgagee (or trustee) as provided herein, as interest may appear, and this insurance, as to the interest of the mortgagee (or trustee) only therein, shall not be invalidated by any act or neglect of the mortgager or owner of the within described property, nor by any foreclosure or other proceedings or notice of sale relating to the property, nor by any change in the title or ownership of the property, nor by the occupation of the premises for purposes more hazardous than are permitted by this policy: Provided, That in case the mortgagor or owner shall neglect to pay any premium due under this policy, the mortgagee (or trustee) shall, on demand, pay the same.

Provided also, That the mortgagee (or trustee) shall notify this Company of any change of ownership or occupancy or increase of hazard, which shall come to the knowledge of said mortgagee (or trustee) and, unless permitted by this policy, it shall be noted thereon, and the mortgagee (or trustee) shall, on demand, pay the premium for such increased hazard for the term of the use thereof; otherwise, this policy shall be null and void.

This Company reserves the right to cancel this policy at any time as provided by its terms, but, in such case this policy shall continue in force for the benefit only of the mortgagee (or trustee) for ten days after notice to the mortgagee (or trustee) of such cancellation, and shall then cease, and this Company shall have the right, on like notice, to cancel this agreement.

Whenever this Company shall pay the mortgagee (or trustee) any sum for loss under this policy and shall claim that, as to the mortgagor or owners, no liability therefor existed, this Company shall, to the extent of such payment, be thereupon legally subrogated to all the rights of the party to whom such payment shall be made, under all securities held as collateral to the mortgage debt, or may at its option pay to the mortgagee (or trustee) the whole principal due or to grow due on the mortgage with interest, and shall thereupon receive a full assignment and transfer of the mortgage and of all such other securities; but no subrogation shall impair the right of the mortgagee (or trustee) to recover the full amount of his, her or their claim.

The above Mortgage Clause DOES NOT apply to personal property.

(228-1-5-65)



### PLEASE ATTACH TO YOUR POLICY Renewal Certificate RENEWAL OF POLICY NUMBER OB 42-93-23 · HORTON IRON AND METAL COMPANY Standard Time at place of issuance. From: 6-27-71Policy Period: To: 6-27-72 REPRESENTATIVE: Sub-agent or Broker NAME AND Reporting agent CODE NO. WOODBURY INSURANCE AGENCY 2,400.00 2.75 66.00 If Policy Period more than one year and the premium is to be paid Total Premium | \$ 66.00 in installments, premium is payable: On effective date of policy \$ and on the first and second anniversaries thereof.

In consideration of the payment of the premium, it is agreed that the policy designated above is continued in force for the policy period stated above, subject to the terms and, conditions thereof.

In Witness whereof, the Company has caused this certificate to be signed by its president and a secretary at Hartford, Connecticut, and countersigned by a duly authorized representative of the Company.



Form 510-205 Ed May 70 Printed in U.S.A.

1. S. Walking President

tersigned by Our Co. Wordbury A.

2,

# WOODBURY & Co.

AGENTS AND BROKERS 500 WACHOVIA BUILDING

LOUIE E. WOODBURY, JR. PRESIDENT LOUIE E. WOODBURY III, C. P. C. U. VICE PRESIDENT EUGENE B. WOODBURY F. DONALD HICKMAN

WILMINGTON, NORTH CAROLINA 28401

May 5, 1976

TELEPHONE (919) 763-3431 Post Office Drawer 270

Mr. Ralph Horton Horton Iron and Metal Company, Inc. P. O. Box 1285 Wilmington, NC 28401

Dear Mr. Horton:

Re:

Cherokee Insurance Company

Policy No. 59 43 58

We have received a letter from Cherokee Insurance Company stating they only insure property with a value of at least \$12,000. Since you have only \$8,000 on the above policy for the property located on E/S of U. S. Highway 421, we will not be able to continue coverage on this property. We will be happy to increase your coverage to \$12,000 to comply with the company's request if you feel the property can be valued at \$12,000. If this property is not valued at \$12,000, we do not have a company that will issue a policy for \$8,000.

We sincerely appreciate your business, however, we have no alternative except to increase the coverage or cancel the policy as requested by the company. We look forward to hearing from you in the very near future concerning this matter.

Thank you.

Sincerely,

(Mrs.) Carolyn Sweatman

CS:bst

Sold me Belly Simmon To 4/12,000.00 To in crease to Hoston, S. 27

# WOODBURY & CO.

500 Wachovia Building P.O. Box 270 Wilmington, N.C. 28402 Dial 919 / 763-3431



Y

HORTON IRON & METAL CO INC P. O. BOX 1285 WILMINGTON NC 28401

CUSTOMER NO.

Ø12813 DATE

11/30/81

30225

NAMED

# PLEASE DETACH AND RETURN WITH REMITTANCE

AMOUNT

0.	POLICY	PERIOD	CLASS	TRANS	March St. Commercial C	PREMI	UM	
0.	EFFECTIVE	EXPIRATION	CODE	CODE	POLICY NUMBER AND DESCRIPTION	CHARGE	CREDIT	
23	11/24/81	04/05/82	ØE	30	621861 *1* FIRE CANCELLATION		34.00	ATE AND FILE
	Police Co	u columbia			Refund	on 233		A S O N D  5 6 7 13 14 15 21 22 23 29 30 31

PREMIUMS DUE AND PAYABLE ON EFFECTIVE DATE OF POLICY

-34.00

BALANCE

WOODBURY & CO.



# UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 4
ATLANTA FEDERAL CENTER
61 FORSYTH STREET
ATLANTA, GEORGIA 30303-8960

MAR 1 0 2020

# CERCLA 104(e) INFORMATION REQUEST URGENT LEGAL MATTER: PROMPT REPLY REQUESTED CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Timothy Furrow
Resolute Management, Inc. on behalf of CNA Insurance
141 West Jackson Boulevard
Chicago Board of Trade Annex
Suite 1800A
Chicago, IL 60604

Re:

Insureds - Potentially Responsible Parties under CERCLA 107(a) at the

Walker Machine Products Superfund Site, Collierville, Shelby County, Tennessee

CERCLA Section 104(e) Information Request

Dear Mr. Furrow:

The U.S. Environmental Protection Agency seeks cooperation from CNA Insurance in providing information and documents relating to insurance policies that may have been issued to Walker Machine Products, Inc. (WMP) and/or Harold D. Walker, Jr. The EPA has named WMP and Mr. Walker as potentially responsible parties under Section 107(a), 42 U.S.C. § 9607(a) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) for EPA's response costs at the **Walker Machine Products Superfund** Site (Site) in Collierville, Shelby County, Tennessee. The EPA has determined that volatile organic compounds, including trichloroethene (TCE) and tetrachloroethene (PCE) are present at the WMP Site. TCE and PCE are hazardous substances under Section 101 of CERCLA, 42 U.S.C. § 9601. The information that EPA is requesting will aid the EPA in its investigation of the releases and threatened releases of these and other hazardous substances at the Site. Your response may help the EPA develop a better understanding of activities that occurred at the Site.

This information request is not a determination that you are responsible or potentially responsible for the presence of the contamination at the Site. The EPA is sending this letter as part of its investigation of the Site and believes that information from you will assist the Agency in assessing potential insurance coverage for the contaminated conditions at the Site. When the EPA determines that an individual or an entity is responsible or potentially responsible for response activities at a Site, the EPA sends a separate letter clearly stating such a determination as well as the EPA's basis for such determination.

CERCLA Section 104(e), 42 U.S.C. § 9604(e), gives the EPA the authority to require the respondent to respond to this information request (see Enclosure 1). We encourage you to give this matter your full attention, and we respectfully request you to respond to this request for information within thirty

(30) days of receipt of this letter. You may designate another official with the requisite authority to respond on your behalf. However, failure to respond to this information request may result in the EPA seeking penalties of up to \$57,317 per day of violation. In addition, furnishing false, fictitious or fraudulent statements or representations is subject to criminal penalty under 18 U.S.C. § 1001.

Please provide a written response to Melissa Waters, the Enforcement Project Manager for the Site, at the address included in Enclosure 1. Please refer to Enclosures 2 and 3 for important instructions and definitions and Enclosure 4 for specific questions that require your response to this Information Request.

If you have any questions regarding this letter, contact Melissa Waters at phone number (404) 562-8873, or via email at <a href="waters.melissa@epa.gov">waters.melissa@epa.gov</a>. For legal questions concerning this letter, please have your legal counsel contact Graham Burkhalter at (404) 562-9519, or by email at <a href="burkhalter.robert@epa.gov">burkhalter.robert@epa.gov</a>. Thank you for your attention to this matter.

Sincerely yours,

Melissa Waters

Enforcement Project Manager

Superfund and Emergency Management Division

Enclosures (4)

# WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

## RESPONSE TO INFORMATION REQUEST

Under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA"), commonly known as the federal "Superfund" law, the U.S. Environmental Protection Agency (EPA) responds to the release or threat of release of hazardous substances, pollutants or contaminants into the environment to stop additional contamination and to clean up or otherwise address any prior contamination.

The EPA is requesting information under CERCLA Section 104(e), 42 U.S.C. § 9604(e). Pursuant to the authority of CERCLA § 104(e), you are hereby requested to respond to the enclosed information request. If you have any questions concerning the Walker Machine Products Site or this information request letter, please contact Melissa Waters, the designated Enforcement Officer for the Site, at phone number (404) 562-8873, or via email at <a href="waters.melissa@epa.gov">waters.melissa@epa.gov</a>. Please mail your response <a href="within 30 calendar days">within 30 calendar days</a> of your receipt of this request to the following address:

Melissa Waters SEB 11th Floor U.S. Environmental Protection Agency 61 Forsyth Street, S.W. Atlanta, Georgia 30303

If you or your attorney has legal questions that pertain to this information request letter, please contact Graham Burkhalter at phone number (404) 562-9519, or via email at burkhalter.robert@epa.gov. For contact via mail, use the following address:

Graham Burkhalter Assistant Regional Counsel CERCLA Law Office U.S. Environmental Protection Agency, Region 4 61 Forsyth Street, SW Atlanta, Georgia 30303

## BACKGROUND INFORMATION

The Walker Machine Products Site is located at 459 Washington Street in Collierville, Tennessee, approximately 22 miles southeast of Memphis, Tennessee. The Site consists of one parcel of land covering an area of about 5 acres. The soil, indoor air, and groundwater at the Site are contaminated with volatile organic compounds, including tetrachloroethene (PCE) and trichloroethene (TCE), and the City of Collierville's Wellfield #1, serving about 13,800 people, is located about one-half mile downgradient of the Site.

Walker Machine Products, Inc. is a former owner/operator at the Site. The company manufactured precision fabricated metal products from the 1960s until approximately 2002. Information obtained by the EPA indicates that during its operations, Walker Machine used chlorinated solvents like PCE and TCE to clean its finished products.

EPA considers PCE as "likely to be carcinogenic" to humans by all routes of exposure. Studies in humans suggest that exposure to PCE may lead to a higher risk of bladder cancer, multiple myeloma, or non-Hodgkin's lymphoma. EPA has characterized TCE as "carcinogenic in humans by all routes of exposure." There is strong evidence that TCE can cause kidney cancer and some evidence that it causes liver cancer and malignant lymphoma.

During its operations from the 1960s until approximately 2002, the Walker Machine Products facility reportedly disposed of waste onto the ground and may have also disposed of solvents in an on-site oil/water separator. Spills and leaks of these chlorinated solvents by Walker Machine Products resulted in contamination of the subsurface soil and groundwater beneath the Site. As such, the EPA has named Walker Machine Products, Inc. and former owner and President of the company, Harold D. Walker, Jr., as potentially responsible parties under CERCLA.

# WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

## INSTRUCTIONS

- 1. Please provide a separate narrative response for each Question and subpart of a Question set forth in this information request.
- 2. Precede each answer with the Question (or subpart) and the number of the Question (and the letter of a subpart of a Question, if applicable) to which it corresponds.
- 3. If information or documents not known or not available to you as of the date of submission of a response to this Information Request should later become known or available to you, *you must supplement* your response to the U.S. Environmental Protection Agency (EPA). Moreover, should you find, at any time after submission of your response, that any portion of the submitted information is false or misrepresents the truth or, though correct when made, is no longer true, you must notify the EPA of this fact as soon as possible and provide the EPA with a corrected response.
- 4. For each document produced in response to this Information Request, indicate on the document, or in some other reasonable manner, the number of the Question (and the letter of a subpart of a Question, if applicable) to which it responds.
- 5. You may assert a business confidentiality claim covering part or all of the information which you submit in response to this request. Any such claim must be made by placing on (or attaching to) the information, at the time it is submitted to the EPA, a cover sheet or a stamped or typed legend or other suitable form of notice employing language such as "trade secret," "proprietary," or "company confidential." Confidential portions of otherwise non-confidential documents should be clearly identified and may be submitted separately to facilitate the identification and handling by the EPA. If you make such a claim, the information covered by that claim will be disclosed by the EPA only to the extent, and by means of the procedures, set forth in Subpart B of 40 CFR Part 2. If no such claim accompanies the information when it is received by the EPA, it may be made available to the public by the EPA without further notice to you. The requirements of 40 CFR Part 2 regarding business confidentiality claims were published in the Federal Register on September 1, 1976, and were amended September 8, 1976, and December 18, 1985.
- 6. <u>Personal Privacy Information</u>. Personnel and medical files, and similar files the disclosure of which to the general public may constitute an invasion of privacy should be segregated from your responses, included on separate sheet(s), and marked as "Personal Privacy Information."
- 7. <u>Objections to questions</u>. If you still have objections to some or all the questions within the Information Request Letter, you are still required to respond to each of the questions.

# WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

## **DEFINITIONS**

The following definitions shall apply to the following words as they appear in this enclosure:

- 1. The terms "and" and "or" shall be construed either disjunctively or conjunctively as necessary to bring within the scope of this Information Request any information which might otherwise be construed to be outside its scope.
- 2. The term "arrangement" means every separate contract or other agreement between two or more persons.
- The terms "document(s)" and "documentation" mean any object that records, stores, 3. presents, or transmits information, and include, but are not limited to, writings of any kind, formal or informal, whether or not wholly or partially in handwriting, including (by way of illustration and not by way of limitation) any invoice, manifest, bill of lading, receipt, endorsement, check, bank draft, canceled check, deposit slip, withdrawal slip, order; letter, correspondence, fax, telegram, telex, postcard; record book, minutes, memorandum of meetings and telephone and other conversations, telephone messages, inter- or intra-office communications; agreement, contract, and the like; log book, diary, calendar, desk pad, journal, scrapbook; bulletin, circular, form, pamphlet, statement; report, notice, analysis, notebook; graph or chart; photostat or other copy of any document; microfilm or other film record, photograph, or sound recording on any type of device; any tape, disc, or other type of memory generally associated with computers and data processing, together with the programming instructions and other written material necessary to use such disc, or disc pack, tape or other type of memory and printouts of such disc, or disc pack, tape or other type of memory; and attachments to, or enclosures with, any document as well as any document referred to in any other document. The term "document" shall also mean any electronically stored information, including but not limited to emails, word processing files, spreadsheets, presentations, databases, geographic information system ("GIS") maps, computer-aided design files, scanned or digital photos, and scanned document images.
- 4. The term "identify" means, with respect to a natural person, to set forth the person's name, present or last known business and personal addresses, email address(es), and telephone numbers, and present or last known job title, position or business.
- 5. The term "identify" means, with respect to a corporation, partnership, business trust or other association or business entity (including, but not limited to, a sole proprietorship), to set forth its full name, address, and legal form (e.g. corporation, partnership, etc.), organization, if any, a brief description of its business, and to indicate whether or not it is still in existence and, if it is no longer in existence, to explain how its existence was terminated and to indicate the date on which it ceased to exist.

- 6. The term "identify" means, with respect to any document(s), to provide its customary business description, its date, its number if any (invoice or purchase order number), subject matter, the identity of the author, addressor, addressee and/or recipient, and the present location of such document.
- 7. The term "Site" or "facility" shall mean and include the Walker Machine Products, Inc., Site in Collierville, Shelby County, Tennessee.
- 8. The term "you" or "Respondent" shall mean the addressee of this Request, the addressee's officers, managers, employees, contractors, trustees, partners, successors and agents.
- 9. The term "Walker Machine Products" means Walker Machine Products, Inc., including its immediate corporate family, all subsidiaries, all entities in which Walker Machine Products or its subsidiary maintains a controlling interest, all entities in which Walker Machine Products or its subsidiary is a principal owner, all entities over which Walker Machine Products or its subsidiary has the ability to exercise significant influence (or control) over the operating or financial policies, and all entities with which Walker Machine Products or its subsidiary has a substantial business relationship, as these terms are defined herein.
- 10. All terms not defined herein shall have their ordinary meanings, unless such terms are defined in RCRA, CERCLA, the Toxic Substances Control Act, the Clean Water Act, the Safe Drinking Water Act, or the Clean Air Act and their implementing regulations, in which case the statutory or regulatory definitions shall control.

# WALKER MACHINE PRODUCTS SITE INFORMATION REQUEST

# **QUESTIONS**

- 1. Provide copies of all casualty, liability, and/or pollution insurance policies issued by Respondent (or Respondent's predecessors) to Harold D. Walker, Jr and/or Walker Machine Products, Inc. from 1953 to present, including but not limited to comprehensive general liability, primary, umbrella and excess policies, as well as any environmental impairment liability or pollution legal liability insurance.
- 2. If there are any casualty, liability and/or pollution insurance policies issued by Respondent (or Respondent's predecessors) to Harold D. Walker, Jr and/or Walker Machine Products, Inc. from 1953 to present of which you have any evidence, or of which you are aware, but neither possess copies, nor are able to obtain copies, identify each such policy to the best of your ability by identifying:
- a. The name and address of each insurer and of the insured;
- b. The type of policy and policy numbers;
- The per occurrence or per accident policy limits of each policy;
- d. Whether each such policy is "primary" or "excess"; and
- e. The commencement and expiration dates of such policy.
- 3. To the extent not identified in Questions 1 or 2 above, provide all other evidence of casualty, liability and/or pollution insurance issued to Harold D. Walker, Jr and/or Walker Machine Products, Inc. from 1953 to present.
- 4. For each policy of insurance identified in Questions 1, 2 or 3 above, provide all underwriting files, claim files, loss control files, and premium audits, as well as any accounting records including retrospective rating adjustments, for each such policy.
- 5. Provide all documents and files that constitute, evidence, refer, or relate to claims made by Harold D. Walker, Jr and/or Walker Machine Products, Inc. under any of the policies identified in Questions 1, 2 or 3.
- 6. Identify all previous settlements by Respondent (or Respondent's predecessors) with Harold D. Walker, Jr and/or Walker Machine Products, Inc. which relate in any way to environmental liabilities and/or casualty, liability and/or pollution insurance coverage, including:
- a. The date of the settlement;
- b. The scope of release provided under such settlement; and
- c. The amount of money paid by Respondent pursuant to such settlement. Provide copies of all such settlement agreements.
- 7. Identify all insurance agencies or brokerage firms that placed any casualty, liability and/or pollution insurance policies issued by Respondent (or Respondent's predecessors) to

Harold D. Walker, Jr. and/or Walker Machine Products, Inc. from 1953 to present. Include the name, address, telephone number and time period when the agency placed insurance on behalf of the Respondent as well as the name and current whereabouts, if known, of individuals at the agency or brokerage firm with whom the Respondent communicated and the nature of the communication. If the Respondent believes no agency or brokerage firm was used to place casualty and/or liability and/or environmental insurance on behalf of Harold D. Walker, Jr. and/or Walker Machine Products, Inc., provide an explanation of how such insurance was placed.